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WEEKEND BASEBALL
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INTERNATIONAL Herald Tribune

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Algeria ...8.00 Din. Iran... 115 Rials Oman... 1.000 Rials
Austria... 22 S Israel ... NIS 3.00 Portugal ... 160 Esc.
Bahrain...0.800 Din Italy ... 2,000 Lire Qatar ... 8.00 Rials
Belgium 50 B.Fr. Jordan ... 850 Fils Rep. of Ireland .80 P.
Cyprus... C £ 0.90 Kenya ... Shs. 35 Saudi Arabia 7.00 R.
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No. 33,116 33/89 ** PARIS, MONDAY, AUGUST 14, 1989 ESTABLISHED 1887

China, Rebuilding Ideology, To Send Graduates to Fields

By Nicholas D. Kristof
New York Times Service

BEIJING — In an effort to rebuild communist values, the authorities have decided that most Chinese college graduates will have to work for a year or two in villages or factories before being permitted to enter graduate school.

The new policy, reported by the official China Daily, appears to be part of what well-placed Communist Party officials describe as a wider program to compel college graduates generally to put in at least a year at manual labor before taking up white-collar jobs.

Officials said that in the aftermath of the student unrest this spring, the leadership felt that one way of combating "bourgeois liberalization," as Western democratic influences are now labeled, was to send students to rural areas to teach them to endure hardship, work hard and appreciate the daily difficulties faced by the mostly rural population.

The steps are reminiscent of the practice in the Cultural Revolution of the 1960s and 1970s, when youths and others were sent to the countryside by the millions for re-education.

"Instead of going to graduate school this September, students, especially those in the social sciences, will have to work for a year or two," China Daily reported Saturday, citing a circular issued by the State Education Commission.

It is not clear how rigorously the policy will be put in place. Resistance among young people is certain to be immense.

The policy could create vast administrative headaches for universities and for the villages that are supposed to be the hosts of the graduates. China already has a surplus of labor in the countryside.

Although there has been no announcement, word of the policy is spreading among young people, who are scrambling to avoid it. Most appear to believe that the policy is retribution for the student-led democracy movement this spring, which the authorities violently suppressed, or at least a reflection of the new-found enthusiasm for revolutionary values that the leadership is trying to foster.

"This is part of the brainwashing now going on," said a young businessman, who has access to information about high-level party decisions. "They want to send you to a horrible place so that when you get back to the city you'll appreciate it and won't cause them any problems."

While the article seemed to say that the change would take effect immediately, that would require a degree of swiftness and cooperation among authorities that would be highly unusual.

The article suggested that it would apply in particular to graduate schools in social sciences, presumably because students of politics and history and related subjects were at the center of the democracy movement.

Under the new program, young people will have their household registration transferred to the rural area where they will work. In theory, there should be no problem in transferring it back to the city a year later, but many people are suspicious that they will be forever exiled in the countryside.

Those people who tried to return to the city without also having their registration transferred would find it difficult to get jobs, housing and ration coupons.

While most young people are appalled by the new policy, a university teacher who was sympathetic to the democracy movement said that most students had been coddled and would benefit from a year learning the value of hard work.

She added that in any case the policy was unlikely to be pursued widely, and said that at her institution no steps had been taken toward putting the policy into effect.

A Communist Party official said

See CHINA, Page 5

South Korea: A U.S. Pullout?

Commander Says Troops May Not Be Needed in 1990s

By Richard Halloran
New York Times Service

WASHINGTON — The commander of U.S. forces in South Korea, General Louis C. Menetrey, says there will be no military need to keep U.S. forces there after the mid-1990s if present trends continue.

In an interview in Washington, the general said that South Korea's plan to modernize its armed forces, which includes acquiring 120 modern fighter planes, would make them strong enough to deter a North Korean attack.

But he said his view was based on the premises that the modernization plan would be completed, that South Korean economic progress would last and that Soviet and Chinese restraint of North Korea would continue.

"If those trends continue," General Menetrey said, "there should be stability on the peninsula without the United States being part of the equation in the mid-1990s."

Spy charges embitter opposition politicians in Seoul. Page 5.

At the same time, he said, a limited U.S. military presence might still be needed because "deterrence is a perception."

The contribution of U.S. forces to deterring North Korean aggression "is far greater than their numbers," he added, because it symbolized the U.S. commitment to South Korea in the event of North Korean attack. The United States has 43,000 troops in South Korea.

Until recently, military and civilian leaders have resisted any sug-

See TROOPS, Page 5



Rainer Kleszmeier/The Associated Press

BERLIN WALL ANNIVERSARY — At the East-West dividing line near Berlin's Checkpoint Charlie, a West German policeman and an East German guard confronted each other Sunday. In Budapest, Bonn closed its mission because of the crush of East German refugees there. Page 2.

Christians Battle Syrian-Backed Ground Forces Outside Beirut

By Ihsan A. Hijazi
New York Times Service

BEIRUT — For the first time since the present round of violence opened in Lebanon five months ago, large-scale ground fighting broke out Sunday for control of a strategic area in the hills above Beirut.

Muslim and leftist militia forces aligned with Syria said they had mounted an offensive near Souk el Gharb, 13 kilometers (eight miles) east of here, and had broken through the defense line of Christian forces led by Major General Michel Aoun.

But the Christian command controlling Souk el Gharb said it had fought off an attack by Syrian, Palestinian and Druze militias, leaving hundreds of the attackers dead or wounded.

Souk el Gharb, once a prosperous Christian summer resort but now deserted except for its military defenders, is of vital strategic importance to the Christians.

It is the forward front guarding General Aoun's residential palace and the Defense Ministry, only five kilometers away. If it falls, General Aoun will have to abandon both the palace and his military headquarters at the ministry.

At daybreak, Beirut shook to the roar of heavy guns and the grinding sound of multibarreled rocket launchers coming from the eastern mountain range as the attack in Souk el Gharb got under way.

Then artillery shells crashed into residential quarters on both sides of Beirut's Muslim-Christian divide, keeping shell-shocked civilians hiding in bomb shelters.

As the ordeal of the bombardment continued for the fourth successive day, Christian radio stations broke into their regular programs to announce that their areas were "burning under a ball of artillery and rocket fire." They began reading the names of new casualties and broadcast appeals for fire brigades.

Sunday's ground offensive came against a background of intensive and incessant shelling that began Thursday. More than 70 people have been killed and 300 wounded in the last four days, bringing the total since the new round of bloodshed began in mid-March to about 650 dead and 2,700 injured.

Souk el Gharb has come under constant bombardment from Druze and Syrian positions in the Chouf Mountains southeast of Beirut. But this was the first time since the current confrontation began five months ago that troops had moved against each other. The rivals had previously been firing from stationary positions and barricades.

A communiqué by the Druze militia, the Progressive Socialist Party, said that a tank-led attack was launched under a heavy artillery cover soon after dawn and that the attackers had routed the Christian 10th Brigade guarding Souk el Gharb and the strategic mountaintops surrounding it.

It said the offensive had been carried out by combined "nationalist forces," a term used to refer to Syrian-backed Druze and leftist militias with support from radical Palestinian guerrilla organizations with bases in the Chouf Mountains.

Police officials said a big battle had taken place but were unable to confirm either Christian or Druze versions of the fighting. General Aoun's command appealed to the public at large and to residents in the Christian districts to listen only to its communiqués and not to allow morale to sink.

"Souk el Gharb is a fortress that

See BEIRUT, Page 5

Kiosk

Confrontation In Yugoslavia

KNEZINA, Yugoslavia (Reuters) — About 50,000 Serbs defied authorities in the central republic of Bosnia on Sunday and demonstrated in support of the president of Serbia, Slobodan Milosevic, a promoter of Serbian nationalism. The police did not intervene.

MONDAY Q&A



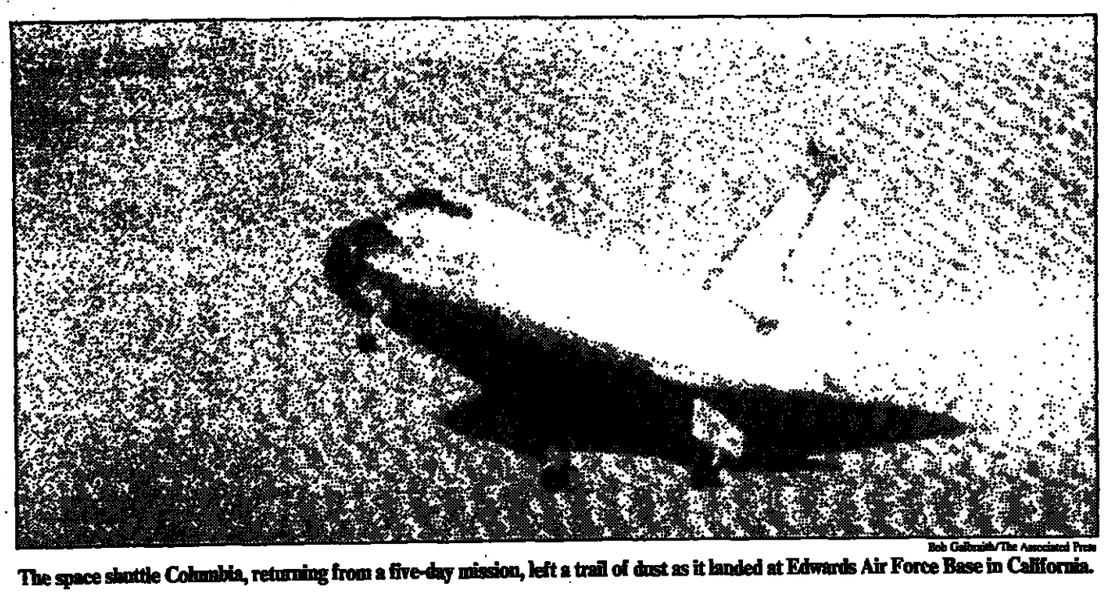
Representative Bill Alexander of Arkansas discusses issues concerning Americans living abroad. Page 2.

Business/Finance

The U.S. budget director has urged the Fed to lower interest rates. Page 11.

SAS won't bid for the Chilean national airline. Page 11.

Crossword Page 5.



Bob Galbraith/The Associated Press

The space shuttle Columbia, returning from a five-day mission, left a trail of dust as it landed at Edwards Air Force Base in California.

Shuttle Returns From Its Secret Mission

The Associated Press

EDWARDS AIR FORCE BASE, California — The space shuttle Columbia had a smooth landing Sunday morning in the Mojave Desert, ending a secret mission in which its crew released a satellite believed to be for military surveillance.

Air Force Colonel Brewster Shaw, commander of the five-man crew, guided the 97-ton spaceship to its landing on a hard clay runway after a flight that covered more than 2 million miles (3.2 million kilometers) in five days.

After securing on-board systems for nearly an hour, the astronauts left the vehicle for an exterior inspection. They found a few of the 30,000 heat-protection tiles missing, a normal condition.

An hour before landing, Colonel Shaw fired twin braking rockets to drop the shuttle out of orbit and start it on a fiery dive through the atmosphere and onto this desert air base 80 miles north of Los Angeles. Mission Control in Houston lifted its curtain of silence to report the successful firing. "All parties here report a good deorbit burn," a NASA commentator said. "All systems aboard Columbia are clean."

The touchdown was closed to the public because of the classified nature of the mission.

Most news about the flight had been blacked out on Pentagon orders since Columbia lifted off Tuesday on its first flight in three and a half years.

Columbia's return restored the shuttle program to three flight vehicles at a time when the launch rate is increasing; three more flights are planned for this year and nine for 1990.

Another orbiter is being built as a replacement for Challenger and is scheduled for its first launching in early 1992.

Israel Disputes Sheikh's Claim That 2 Captive Soldiers Died

By Jackson Diehl
Washington Post Service

JERUSALEM — Sheikh Abdel Karim Obeid, the Shiite Muslim cleric held by Israel, has told interrogators that two of the three soldiers that Israel had hoped to exchange for him are dead, officials said Sunday.

Military authorities are not convinced that Sheikh Obeid is telling the truth about the fate of the soldiers, who were captured by the Iranian-backed Hezbollah, or Party of God, in southern Lebanon more than three years ago, the officials said.

But Sheikh Obeid's assertion and reports from Lebanon that seem to back it up appear to have dealt a serious blow to Israel's hope of exchanging the cleric for the soldiers.

The capture of the cleric in a raid on his Lebanese village on July 28 touched off a crisis involving Western hostages in Lebanon. The crisis has involved the United States, Iran and Syria as well as Israel and Hezbollah. A Hezbollah-linked group said that it executed one U.S. hostage, Lieutenant Colonel William R. Higgins, in retaliation for Sheikh Obeid's detention.

Nevertheless, senior Israeli officials have said that the Obeid oper-

See HOSTAGE, Page 5

Trial Balloons Frustrate U.S.

By John M. Goshko
Washington Post Service

WASHINGTON — After two and a half weeks on a roller coaster that dipped and soared between fear for the lives of U.S. hostages in Lebanon and hints that they might be freed, officials here now believe it is unrealistic to expect a quick resolution of a crisis that has bedeviled Washington since 1982.

The problem, say State Department officials and others involved in Middle Eastern policy, is that the Bush administration has been unable to determine which, if any, of the trial balloons alleging that Iran wants indirect talks about the hostages are authorized or serious.

They say that the White House spokesman, Marlin Fitzwater, summed up the situation accurately and succinctly when he was asked on Thursday whether there was anything of substance in an Iranian newspaper report suggesting that Pakistan might be an intermediary between Washington and Tehran. "Honestly?" Mr. Fitzwater replied. "We don't know."

The officials say cautiously that some kind of turning point may have been triggered by Israel's July 28 abduction of the Lebanese Shiite leader Sheikh Abdel Karim Obeid and the reported retaliatory hanging of Marine Corps Lieutenant Colonel William R. Higgins.

But, they add, initial speculation that these events might produce a quick and dramatic result have given way to the view that it is likely to be weeks or even months before the latest act in the hostage drama is played out.

Specifically, they say, the kidnapping of Sheikh Obeid may have marked the start of a process that could lead to the release of the eight Americans and 10 other Western hostages in Lebanon and to an easing of the decade-long hostility between the United States and Iran.

They say the signs seem clear that Iran's new leader, Hashemi Rafsanjani, realizes that freeing the hostages is the key to obtaining the Western aid necessary to make up the heavy losses suffered by Iran in the Gulf War against Iraq.

But the officials are quick to add that they also have strong doubts about whether Mr. Rafsanjani is

See POLICY, Page 5

Front Calls Strikes in Azerbaijan

Reuters

BAKU, U.S.S.R. — The Popular Front movement in Azerbaijan has called a one-day strike for Monday and a general strike, probably in September, to back its demand for greater autonomy for the southern Soviet republic.

The strike call came after 80,000 Azerbaijanis demonstrated Saturday in Baku's central square in support of the Front. They threatened a series of stoppages which could halt regional oil production.

The Front wants legal recognition, the recall of Azerbaijani deputies from the Soviet parliament, where it says they fail to represent local interests, and an end to what amounts to military rule clamped on the area to stop ethnic violence.

The protesters also sought assurances of control over the disputed

See STRIKE, Page 5

Heavy Metal Is Music to Muscovites' Ears

By Bill Keller
New York Times Service

MOSCOW — Long reviled by U.S. music critics, Soviet ideologists and parents everywhere, the thundering hordes of Western heavy-metal rock have found respect in Lenin Stadium — as ambassadors of peace and temperance.

On a stage the size of the battleship Potemkin, flanked by batteries of speakers reminiscent of the Krasnoyarsk radar complex, under a sky that had undergone 75,000 rubles ($125,000) worth of cloud seeding, the rockers of Bon Jovi, Motley Crue, Ozzy Osbourne and other black-leather ensembles pumped earsplitting megawatts in the name of moderation.

Genrikh A. Borovik, whose official Committee for the Defense of Peace promises to make charitable use of an expected million rubles in ticket profits, expanded the agenda in his introductory speech to include not only drug prevention but also nuclear disarmament and the end of "nationalism, racism and chauvinism."

If the lure was high-decibel rock, the logic was pure Mikhail S. Gorbachev.

Thanks to international fascination with the Soviet leader, Moscow, which has little else to sell, markets itself as the world's hippest backdrop for Western causes, whether commercial or philanthropic, or — as in the case of the Moscow Music Peace Festival — both.

"I call Moscow the Klondike," said Doc McGhee, the mastermind of Saturday's benefit and the manager of four of the performing bands.

True enough. Last week alone, publicity seekers prospecting in Moscow included, besides Mr. McGhee's clients, marathon runners (for hunger relief), disabled kayakers (for unity), two U.S congressional delegations, the octogenarian industrialist Armand Hammer, the pop stars Leon Russell and La Toya Jackson and the North American team of the World Arm Wrestling Federation.

One day last week the comedian Billy Crystal taped a show at the Pushkin Theater before a predominantly U.S. audience. Judging by a show of hands, Soviet citizens in the hall were outnumbered by a visiting little league team from West Chester, Pennsylvania.

Few events demonstrate the strange alchemy of Mr. Gorbachev's political force field better than Saturday's extravaganza on what the promoters described as "the sacred soil of Lenin Stadium."

Why would an organizer plan a rock concert in a country where everything from the electricity to the drinking water — not to mention 11,340 kilograms (25,000 pounds) of prime beef, salmon, breast of duck and other catered goodies that made some of the Soviet hired help weep — must be delivered by a huge convoy of trucks? Where tickets are sold for rubles that buy nothing much of value here and nothing at all abroad? Where, as Mr. McGhee put it, "it's like doing a thing in Mongolia — it's just the desert?"

And why would Moscow give red-carpet treatment to an entertainment genre that, while long beloved of the Soviet young, has been officially regarded as the vilest strain of Western heathenism — "ideological AIDS," in one critic's phrase?

"Impact," Mr. McGhee replied.

"In L.A. or New York, every weekend they have save the whales, stop the injustice, what-have-you," he said. "Benefits are happening there every day. It just doesn't have the impact."

Sebastian Bash, lead singer of the band Skid Row, finally got a chance to screech into a microphone after several sedate days of being lionized as a role model for temptation-prone teen-agers. "I think the whole point of this show

See MUSIC, Page 5



Volodia Samosvky/Reuters

A heavy-metal fan sizing up security forces guarding the stage Sunday at Lenin Stadium.

Americans Abroad: U.S. Congressman Takes Up the Cause

Representative Bill Alexander, Democrat of Arkansas, has been in the forefront of legislators concerned with the interests of the two million Americans living or working abroad. Robert C. Siner of the Washington bureau of the International Herald Tribune spoke with Mr. Alexander about issues concerning Americans abroad.

MONDAY Q&A

Q. You have been a strong supporter of the interests of Americans overseas almost from your first days in Congress. This is not an area that most people would connect with a congressman from Arkansas. What brought about this interest?

A. If we are to improve our standard of living in Arkansas and the rest of this country, we must learn to export more abroad. In order to export more, we must have Americans who compete in the trenches of international trade. We must send our merchants and their representatives abroad to sell products produced in Arkansas and the other states.

It boils down to this: Americans living abroad are our frontline troops in export expansion.

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Q. In March, you introduced a legislative package that would give overseas Americans a nonvoting representative in Congress, establish a residence-based system of taxation for Americans living abroad and make it easier for U.S. citizens with non-American spouses to pass on American citizenship to children born overseas. What chances do you see for any action?

A. Al Swift, chairman of the Subcommittee on Elections of the Committee on House Administration, has agreed to hearings when there is sufficient support demonstrated among Americans living abroad to hold such hearings.

Q. Americans living overseas already have the right to vote for senators and congressmen from their home states. Why do you believe Americans abroad need their own representative in Congress?

A. Because Americans living abroad are second-class citizens so far as Washington is concerned and in order for them to be truly represented in Congress they need a representative the same as Americans living in the Virgin Islands, Samoa, Puerto Rico, Guam and the District of Columbia.

Q. Over the years you have introduced a number of bills that could limit U.S. taxation of Americans abroad to U.S.-source income. What is the rationale for this approach? Is there any chance of this happening?

A. I think Americans abroad need to be treated as competitor nations treat their nationals living overseas. The U.S. has a tendency to double-tax Americans abroad whereas their competitors are only taxed once.

It's a matter of education. Congress and the American people must first learn about the conditions under which Americans overseas live.

Q. You have said that Americans abroad are vital to U.S. security. Could you elaborate?

A. Economic strength is a necessary prerequisite to military strength. We cannot continue to borrow money from the Japanese and Europeans to finance our defense spending. Increased sales of our goods overseas bolsters our economy, making this country less dependent on borrowed money to meet our needs.

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Q. Most members of Congress have little idea of the problems of Americans abroad. What can overseas Americans do to educate the Congress?

A. We must begin by educating students about the importance of competing in the world economy. That, of course, is the long view.

In terms of what Americans overseas can do in the near term to educate Congress, they must vigorously support the effort to establish a nonvoting delegate in Congress.

Protests Increasing Against Alleged Turkish Prison Abuses

By Clyde Haberman
New York Times Service

ANKARA — A weeks-long hunger strike by hundreds of prisoners, and the deaths of two of them, have rekindled longstanding complaints about human-rights abuses in Turkish prisons.

The protest began with a relatively small group in early July, but has gained support and now encompasses more than 2,000 inmates at 12 prisons.

They say they will not end their strike until the authorities ease regulations imposed a year ago after 47 inmates, most of them anti-government leftists, tunneled out of prisons in Istanbul and Kirsehir, southeast of Ankara.

Discipline was further tightened two months ago, when two unfinished tunnels were found at a prison in Eskisehir, west of Ankara.

Early last week, Justice Minister Oltan Sungurlu accepted most of the strikers' demands, raising hopes for a settlement. But he has refused to yield on crucial points.

These include demands for more liberal visiting privileges and for permission to receive food packages from outside, which are now banned to make it harder to hold the kind of long hunger strike now under way.

Since the strike began, observers said, the health of many protesters has deteriorated.

Two died two weeks ago as they and nearly 300 other fasting prisoners were transferred from Eskisehir to Aydin, 450 kilometers (300 miles) to the west.

Government officials say that they died from dehydration, but the Turkish Human Rights Association and some opposition politicians insist that the two men were beaten.

According to press reports, 72 inmates have been hospitalized after refusing to ingest anything but sugared water and salt, and 10 are in critical condition. Fifteen have accepted medical treatment, but no food, and the authorities reportedly are making no attempt to force-feed anyone.

Nearly all the demonstrators are said to be leftist political advocates or members of the outlawed Kurdish Labor Party, a separatist group responsible for repeated terrorist attacks against civilian and military targets in the largely Kurdish southeastern sector of the country.

They represent about 3 percent of a prison population that exceeds 50,000, and are among 5,000 inmates regarded as political prisoners by the human-rights group.

The hunger strike is not the first in Turkish jails. But deaths are unusual, and they underscore one of Turkey's bigger problems as it seeks to become a member of the European Community.

Beyond the many economic handicaps that the country suffers, European diplomats say, it must also show that it measures up to Western civil-liberties standards if its membership application is to stand a chance.

"At the least, they must start living up to prison standards established by the United Nations and the Council of Europe," said Nevzat Helvaci, secretary-general of the rights association.

In interviews, government officials have acknowledged that abuses exist, but they deny that brutality is systemic and insist that they are making progress.

■ To Abolish Punishment

Mr. Sungurlu said on Sunday that Turkey will abolish physical punishment in jails, Reuters reported from Ankara.

"Physical punishments with disciplinary purpose such as chaining of prisoners, solitary confinement in dark cells and bread-and-water diets are being abolished," he told the Anatolian News Agency.

"We have changed the prison regulations to bring the measures in conformity with Western prison standards," he said.

Iranian Quest for Toxic Fungi Was Blocked, Spy Experts Say

By Michael R. Gordon
New York Times Service

WASHINGTON — Attempts by Iranian researchers to buy poison-producing strains of fungus from Canada and the Netherlands have been disclosed for the first time by Western intelligence officials.

The efforts, blocked earlier this year, have touched off fears that Iran may be seeking to develop a weapon from the toxins, the officials say.

Bush administration officials said the episode illustrated the complexities of trying to limit opportunities for the development of weapons made from natural substances.

Unlike nuclear and chemical weapons, those made from microbes have no international agreements restricting the spread of the technology needed to make them.

Such natural substances can often also be used for peaceful scientific research. And information received about biological research is fragmentary and often ambiguous.

American officials said the attempt to procure the fungi could be part of a research program to develop a defense against biological weapons or a new effort to produce the weapons themselves.

But speaking of the Bush administration's decision to urge the Canadians and Dutch to block the sale, an official said: "There are enough bad vibes that we want to stand in the way of it. We're bending over backwards to be careful."

The types of fungus sought by the Iranians are found on wheat and grass. They produce toxins, called mycotoxins, some of which harm humans and animals by inhibiting the ability of cells to synthesize proteins. In sufficient quantities they cause death.

Iran's attempt to buy poison-producing varieties of fungus began last December when a man identified in intelligence reports only as Moallem got in touch a Canadian scientist, Dr. H. Bruno Schiefer, director of a toxicology research center at the University of Saskatchewan.

American officials said he found Mr. Moallem's request for samples unusual because such purchases were usually made from one of the laboratories around the world that maintain stocks of cultures. Scientists seldom ask one another for samples.

After consulting the Canadian government, Dr. Schiefer declined the request. The Canadians then alerted other Western nations that belong to a 20-member group that is seeking to control the export of chemicals used in poison gas.

Mr. Moallem could not be found for comment. In an interview, Dr. Schiefer confirmed the outline of the incident reported by intelligence officials.

According to Iranian scientific literature, a pharmacologist named A. Moallem works in the poison unit at the Imam Reza Medical Center at Meshed Medical Sciences University in the northeastern Iranian city of Meshed. He is a co-author of a scientific study on the effects of mustard gas.

Soon after the request to Dr. Schiefer the Iranian Research Organization for Science and Technology contacted the Central Bureau for Fungus Cultures in the Netherlands.

In a purchase order dated Feb. 21 the Iranians sought to buy 11 types of fungus, including the two that Mr. Moallem had sought to buy from Canada. The Dutch rejected the offer.

There are several likely explanations for Iran's efforts to purchase the strains, according to American officials and independent scientists.

Paul E. Nelson, a professor of plant pathology at Pennsylvania State University, said they could be used for medical research on the suppression of the immune system.

Some American officials say Iran may have sought the strains to experiment on how to defend against them.

The West German press carried reports early this year that Iraq had bought a small quantity of mycotoxins from a German company.

Both Iran and Iraq used chemical weapons in the eight-year Gulf War, American officials said.

Laos and China Talking Of Restoring Party Link

Agence France-Presse

HONG KONG — A Laotian government delegation is in Beijing for talks on restoring ties between the Communist parties of the two countries, 11 years after they were broken off, the New China News Agency said in a report monitored here.

Party-to-party relations were broken when China fought a brief border war with Vietnam in early 1979, after Vietnamese troops invaded Cambodia in December 1978 to oust the Khmer Rouge regime. Vientiane also accused Beijing of arming Laotian resistance guerrillas.

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Reuters

Friendliness and a weapon that kills: A British soldier demonstrating his rifle sights to a boy while keeping watch on a tense parade in Londonderry celebrating a Protestant triumph 300 years ago.

Belfast Marks 20 Years of Conflict

By Glenn Frankel
Washington Post Service

BELFAST — Several thousand Catholics marked the 20th anniversary of the deployment of British troops in Northern Ireland on Sunday with a peaceful protest march here, capping a week of demonstrations and violence that underscored the continuing conflict.

The province's 10,500 British soldiers and 6,500 troops of the home-grown Ulster Defense Regiment were placed on alert in anticipation of an attempt by the outlawed Irish Republican Army to carry out a major attack.

Several bombs presumably planted by IRA operatives have been discovered and either defused or blown up without injury in Protestant areas during the week.

The only serious casualties so far have been Catholics injured during the rioting in Belfast. A 15-year-old boy was shot dead by police using plastic bullets Wednesday morning, and a 23-year-old man remains in serious condition from a plastic bullet wound in the head two nights ago.

Tensions were high during today's march, with British soldiers and police from the predominantly Protestant Royal Ulster Constabulary lining the parade route. Some soldiers on rooftops could be seen aiming sniper rifles at demonstrators, and police vehicles at the site of the rally created a tight bottleneck that spokesmen for the protesters denounced as "unnecessary and provocative."

But the parade's marshals were able to stay between the police and most of the crowd, and police eventually moved back the vehicles. A heavy rainstorm late in the afternoon defused the potential confrontation.

Still, the march served as a reminder that 20 years after the British Army became involved here, its presence remains deeply offensive to many of the people it was purportedly sent in to protect.

The army was deployed on Aug. 13, 1969, in Londonderry, and the following day in Belfast, to quell sectarian rioting between the majority Protestants and the Catholic minority.

Although first welcomed by both sides, the army was soon seen by many Catholics as siding with the Protestant-controlled Ulster government. Soldiers became a target of attacks by a reborn Irish Republican Army, outlawed and branded as terrorist by Britain.

Since then, more than 2,750 people have died, including 1,900 civilians and 850 soldiers and police.

Today's march began at the Falls Road in West Belfast's Catholic enclave and made its way south past the Milltown and Belfast cemeteries where hundreds of victims of the conflict are buried.

Marchers then passed the Andersonstown police station, whose concrete anti-car bomb barriers and 30-foot-high (nine-meter) walls of concrete and steel are further evidence that police here are treated as invaders.

The marchers included a dozen fife-and-drum bands named after martyrs to the Irish cause, as well as sympathizers from mainland Britain and a delegation of about 60 Irish Americans from the Irish Northern Aid Committee, the pro-IRA group.

Bonn Closes Another Mission

The Associated Press

BONN — The Foreign Ministry announced Sunday that it would close the West German Embassy in Budapest on Monday because its capacity to aid a flood of East German refugees is "totally exhausted."

Several-hundred East Germans seeking to emigrate to the West have been holed up for nearly two weeks at the Budapest embassy, as well as in West Germany's offices in Prague and East Berlin.

A Foreign Ministry spokesman, Claus Wunderlich, declined to say how many East Germans were at the Budapest embassy, but news reports last week put the number near 300, and more refugees have been arriving each day.

Bonn closed its East Berlin mission on Tuesday after 131 East Germans sought refuge there. A mission spokesman said that 10 of the East Germans left the facility of their own accord Sunday morning but that the others were still camped on the protected mission grounds.

■ Bush Challenge on Wall

President George Bush challenged the Soviet Union on Saturday to help make Berlin "a place of cooperation, not a point of confrontation" by using its influence to have the Berlin Wall torn down, Reuters reported from Washington.

In a statement marking the 28th anniversary of the start of the construction of the wall on Aug. 31, 1961, Mr. Bush said that Washington was awaiting what it hoped would be a positive reply from Moscow.

Mr. Bush called the wall a "relic of a bygone era and a failed policy."

"We want Berlin to enjoy greater access to the world, through expanded air links, to be a center of international meetings and sports events and to foster more human contacts, which lead to better understanding," he said.

The United States and the Soviet Union share postwar responsibilities for administering Berlin with France and Britain.

Together with France and Britain, the United States has urged steps to reunite Berlin. Mr. Bush repeated the U.S. commitment to improve the lives of Berliners "and to bring closer the day when the city is again united."

WORLDWIDE ENTERTAINMENT

MONTE-CARLO SPORTING CLUB
August-September 1989

Friday 4th August	GALA DE LA CROIX-ROUGE MONEGASQUE LIZA MINNELLI SAMMY DAVIS Jr.	From 21th to 24th August	"CINE MOVIES" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS
Saturday 5th, Sunday 6th August	JERRY LEWIS with THE SPORTING DOLLS	Friday 25th, Saturday 26th and Sunday 27th August	DORI GHEZZI
From 7th to 10th August	MASSIMO RANIERI with THE SPORTING DOLLS	From 28th to 31th August	"LATINOS" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS
From 11th to 15th August	BARRY WHITE & THE LOVE UNLIMITED ORCHESTRA and THE SPORTING DOLLS	Friday 1st, Saturday 2nd, Sunday 3rd September	PAOLO CONTE
Wednesday 16th Thursday 17th August	"LATINOS" with THE SPORTING DOLLS and THE FOUR RHYTHM BOYS	From 4th to 7th from 11th to 16th September	SPORTING ON ICE SHOW
Friday 18th, Saturday 19th, Sunday 20th August	GINO PAOLI	Friday 8th, Saturday 9th, Sunday 10th September	GILBERT BECAUD

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WORLD BRIEFS

Scores Killed in Assam Ethnic Battles

NEW DELHI (NYT) — Scores of people have been killed in ethnic fighting sweeping parts of the northeastern state of Assam, and the fighting has sent thousands fleeing into refugee camps and into a neighboring state. The Press Trust of India news agency reported over the weekend.

The agency quoted the police in neighboring Arunachal Pradesh as saying that 90 people had been killed in Assam state and that most of the victims were from the minority Bodo tribe. Police officials in Assam said that the figures were exaggerated.

A senior Assam security official said Saturday that at least 18,000 people had been displaced or otherwise affected by the clashes and that at least five persons had been killed and dozens wounded.

Botha Is Isolated in Cabinet Dispute

JOHANNESBURG (Reuters) — President Pieter W. Botha appeared to be standing alone Sunday as former allies threw their weight behind his heir apparent, Frederik W. de Klerk, in a dispute over planned talks in Zambia on ways to end apartheid.

Mr. Botha, who will retire after elections next month, provoked the storm by publicly repudiating Mr. de Klerk, the head of South Africa's ruling National Party, for having failed to consult him about scheduling a meeting for Aug. 28 with President Kenneth Kaunda of Zambia. Political sources said that Mr. Botha was jealous about the meeting, which could result in a major step toward peace in the region and toward a post-apartheid alliance of southern African states.

Mr. de Klerk won the backing of his cabinet colleagues on Saturday in maneuvering before a showdown expected to take place at a full cabinet meeting called by Mr. Botha for Monday.

Walesa Plans to Meet 2 Party Leaders

WARSAW (Reuters) — The Solidarity chairman, Lech Walesa, will meet the leaders of two traditionally pro-Communist political parties here Monday to discuss forming a non-Communist coalition government, his aides said on Sunday.

The talks with Roman Malinowski, leader of the United Peasants' Party, and Jerzy Jozwiak, head of the Democratic Party, will center on his call last week for a government excluding the Communist Party that would unite Solidarity and the two small parties. The small parties, obedient to the Communists since the 1940s, have suggested they want a more independent role.

Prime Minister Czeslaw Kiszczak, a Communist appointed to his job Aug. 2, wants Solidarity to join a "grand coalition" government. He said this weekend that he wanted urgent talks with Mr. Walesa on the political deadlock. Mr. Walesa said he expected to meet Mr. Kiszczak soon.

Contras Refuse to Give Up Weapons

WASHINGTON (AP) — Spokesmen for the Nicaraguan government and the contra forces clashed Sunday on whether the new Central American peace proposal allowed the U.S.-supported Nicaraguan rebels to return home carrying their guns.

"Our men are going to go into Nicaragua armed," said Adolfo Calero, a leader of the United Nicaraguan Opposition. But Alejandro Bendana, a Foreign Ministry official said, "They don't need guns at this point."

The presidents of Nicaragua, El Salvador, Honduras, Costa Rica and Guatemala signed an agreement Aug. 7 calling for the disbanding of the contras by early December. It calls for an international commission to aid the contras in resettling in their homeland or a third country. The Honduran government, which hosts the majority of the contras, has said that the rebels must leave their base camps near the Nicaraguan border.

For the Record

The president of the African National Congress, Oliver Tambo, 71, had a stroke in Zambia and has been flown to London for treatment, according to organization sources. *(AP)*

About 1,000 peace activists, politicians and relatives of victims of a 1988 air-show disaster marched Sunday in Ramstein, West Germany, to protest continued low-level military exercises. Three Italian jets collided while performing at the U.S. air base in Ramstein on Aug. 28; the burning planes fell among spectators, killing 70 people. *(AP)*

Randy Steven Kraft, 44, has been sentenced to death for the murders of 16 young men in Orange County, California. *(LAT)*

Four Maldivians and 12 Sri Lankans have been sentenced to death for their parts in an unsuccessful attempt in November to overthrow the government of the Republic of Maldives; 59 persons were given jail terms ranging from 11 to 38 years. *(Reuters)*

European space scientists failed in their third attempt Sunday to fire the on-board rocket motors of a faulty astronomy satellite. The $384 million Hipparcos spacecraft was launched Tuesday atop an Ariane 4 rocket in French Guiana. Its motor failed as the spacecraft passed through the apogee of its initial elliptical orbit. *(UPI)*

TRAVEL UPDATE

Japan has cautioned ships against pirates in the South China Sea after Liberian and Panamanian vessels reported attacks this month. *(AP)*

The State Department has advised U.S. citizens that unnecessary travel to Sri Lanka should be deferred because of "high political tension and the strong possibility of widespread strikes and curfews." *(IHT)*

A balcony in Verona, Italy, which many people believe is where Shakespeare envisaged Juliet standing and calling out for Romeo, has been declared unsafe and closed to the public. Inspectors found serious damage to the stonework. *(Reuters)*

The staff at the Uffizi Museum in Florence will go on strike from Aug. 14-16 to protest opening hours during the mid-August public holiday, union leaders said. *(Reuters)*

More than 500 diners in Rome have had their tables seized in midmeal in six weeks of raids on open-air restaurants that encroach too far onto the city's narrow streets, the police reported Sunday. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Morocco, Pakistan, San Marino, Thailand, Vatican City, Venezuela.

TUESDAY: Andorra, Austria, Belgium, Burkina Faso, Burundi, Cameroon, Central African Republic, Chile, Congo, Costa Rica, Cyprus, Equatorial Guinea, France, Gambia, Greece, Guatemala, Guinea, Haiti, India, Italy, Ivory Coast, Lebanon, Liechtenstein, Luxembourg, Macao, Madagascar, Malta, Monaco, Panama, Paraguay, Portugal, Rwanda, San Marino, Senegal, Seychelles, South Korea, Spain, Vatican City, Venezuela.

WEDNESDAY: Dominican Republic, Sri Lanka, Vatican City.

THURSDAY: Gabon, Indonesia.

FRIDAY: Afghanistan.

SUNDAY: Hungary.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Algarve	25	77	14	57	cl
Amsterdam	22	72	13	55	fr
Athens	33	91	22	72	s
Barcelona	30	86	22	72	s
Belgrade	31	88	17	63	s
Berlin	24	75	13	55	fr
Brussels	23	73	13	55	fr
Budapest	31	88	17	63	s
Copenhagen	21	70	13	55	fr
Costa Del Sol	31	88	19	66	s
Dublin	19	66	11	52	fr
Edinburgh	17	63	11	52	r
Florence	32	90	16	61	s
Frankfurt	25	77	14	57	fr
Geneva	30	86	16	61	s
Helsinki	22	72	13	55	fr
Las Palmas	28	82	22	72	s
Lisbon	28	82	13	55	s
London	22	72	13	55	fr
Luxembourg	21	70	11	52	fr
Madrid	36	97	18	64	s
Milan	29	84	17	63	s
Moscow	23	73	13	55	fr
Munich	24	75	14	57	fr
Nice	28	82	20	68	s
Oslo	24	75	9	48	fr
Paris	24	75	13	55	fr
Prague	24	75	13	55	s
Reykjavik	14	57	9	48	cl
Rome	32	90	19	66	s
Stockholm	22	72	13	55	fr
Strasbourg	28	82	15	59	s
Venice	28	82	19	66	s
Vienna	30	86	19	66	s
Warsaw	27	81	15	59	s
Zurich	25	77	13	55	fr
MIDDLE EAST					
Ankara	33	91	16	61	cl
Cairo	37	99	22	72	s
Istanbul	32	90	20	68	s
Jerusalem	30	86	17	63	s
Tel Aviv	32	90	20	68	s
OCEANIA					
Auckland	—	—	—	—	ns
Sydney	—	—	—	—	ns

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	35	95	27	81	s
Beijing	31	88	21	70	s
Hong Kong	32	90	27	81	s
Manila	33	91	27	81	s
New Delhi	34	93	27	81	s
Seoul	31	88	21	70	s
Shanghai	32	90	21	70	s
Singapore	31	88	26	79	t
Taipei	35	95	28	82	s
Tokyo	31	88	26	79	t
AFRICA					
Algiers	35	95	24	75	s
Cape Town	—	—	—	—	ns
Casablanca	28	82	19	66	s
Harare	—	—	—	—	ns
Lagos	29	84	24	75	s
Nairobi	—	—	—	—	ns
Tunis	36	97	21	70	s
LATIN AMERICA					
Buenos Aires	—	—	—	—	ns
Lima	19	66	15	59	c
Mexico City	25	77	14	57	s
Rio de Janeiro	—	—	—	—	ns
NORTH AMERICA					
Anchorage	22	72	15	59	c
Atlanta	30	86	19	66	s
Boston	27	81	20	68	pc
Chicago	30	86	19	66	s
Denver	33	91	19	66	s
Detroit	29	84	15	59	s
Honolulu	32	90	26	79	s
Houston	33	91	23	73	s
Los Angeles	30	86	20	68	s
Miami	32	90	25	77	s
Minneapolis	28	82	17	63	s
Montreal	26	79	18	64	s
Nassau	32	90	25	77	s
New York	28	82	22	72	pc
Phoenix	42	108	30	86	s
San Francisco	21	70	12	54	pc
Seattle	22	72	13	55	pc
Toronto	27	81	17	63	s
Washington	28	82	22	72	t

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Rain, 19—59). **FRANKFURT:** Cloudy. Temp. 24—15 (91—64). **LONDON:** Showers. Temp. 22—15 (72—59). **MADRID:** Fair. Temp. 37—18 (91—64). **NEW YORK:** Partly cloudy. Temp. 27—20. (81—68). **PARIS:** Overcast. Temp. 24—15 (75—59). **ROME:** Fair. Temp. 28—18 (82—64). **TEL AVIV:** Not available. **ZURICH:** Cloudy. Temp. 27—15 (81—59). **BANGKOK:** Showers. Temp. 33—25 (91—77). **HONG KONG:** Not available. **MANILA:** Cloudy. Temp. 32—22 (91—73). **SEOUL:** Cloudy. Temp. 30—20 (86—68). **SINGAPORE:** Cloudy. Temp. 28—23 (82—77). **TOKYO:** Fair. Temp. 31—25 (88—77).

Democrats Cited As Housing Scandal Jumps Party Lines

By Michael Wines
New York Times Service

WASHINGTON — As well-connected Republicans obtained millions of dollars in grants and subsidies from the Department of Housing and Urban Development in the 1980s, Democrats were helping friends and constituents benefit from many of the same HUD programs, documents from the department and Congress indicate.

Although their actions do not appear to have resulted in personal financial gains comparable to the fees earned by Republican consultants, the Democratic practices do suggest that the pattern of political favoritism at HUD during Samuel R. Pierce Jr.'s tenure as secretary was not confined to his own party.

In one instance, documents show, a political supporter and friend of Representative Jack Brooks, Democrat of Texas, was awarded a $5 million grant and federal subsidies for 500 apartments under a rental assistance program.

At the time, Mr. Brooks headed the Government Operations Committee, which monitors federal agencies. The panel's subcommittee on employment and housing oversees the operations of the Housing Department and is conducting an inquiry into influence peddling at the department.

HUD also awarded millions of dollars in grants from a special discretionary fund in the last three years to projects in the home districts of some other Democrats. None of those awards was illegal.

While Republicans' successes in dealing with HUD have been widely noted, similar attempts by their Democratic counterparts have been largely ignored.

Republican consultants and developers could secure favors from HUD by appealing to the political loyalties of those who manage the department.

Democrats used their majority status in Congress to impose their wishes on housing appropriations bills that later became law.

The processes, while different, usually wound up tapping the same HUD sources: subsidy programs for low-income renters and the discretionary fund for special projects managed by the secretary's office.

By far the largest of the awards with Democratic links was made in 1988 over the objections of HUD officials to a project run by a former mayor of Port Arthur, Texas, Lloyd L. Hayes, who describes himself a friend of Mr. Brooks's. Mr. Hayes is the developer of Park Central, a financially troubled $150 million housing and office project.

A Housing and Community Development Act passed by Congress that year included 15-year federal subsidies for 500 units of low-income housing, "so long as such families occupy properties in the Park Central New Community Project."

The legislation also amended previous laws to allot $5 million "for purposes of grants under subsection (b)(1) for the Park Central New Community Project." No restrictions were placed on the use of the money.

Some HUD officials said that the department tried to kill the subsidies and grant for Park Central, in part because other developments built under the same defunct HUD program could claim that they were also entitled to special treatment. An official said that Mr. Pierce recommended in a 1988 letter to Vice President George Bush that the Reagan administration oppose the $5 million grant.

The White House later threatened to veto the appropriations bill, citing the Park Central awards and other objectionable provisions.

Friends and constituents of other Democrats, and other Republicans, secured HUD benefits through the legislative process as well, although that process does not appear to have been used for personal financial gain.

Democratic lawmakers inserted provisions in bills using the fund to finance a number of projects that otherwise might not have received HUD money. Examples include:

- A grant of $140,000 in this fiscal year will support renovations to aid disabled visitors to the courthouse in Dayton, Washington, in the district of Thomas S. Foley, the House speaker. The appropriations bill for HUD financing in the next fiscal year contains another $520,000 for "streetscape improvements" in Dayton and $186,000 to improve access to the courthouse in Newport, Washington, which also is in Mr. Foley's district.
- A $1.1 million appropriation for 1989 covered "secondary migration assistance" for Southeast Asian refugees in the California district of Representative Tony Coelho.
- A grant of $2.9 million was made to remedy "serious ground subsidence problems" in Philadelphia, in the district of Representative William H. Gray 3d, a member of the appropriations panel.



Doug Mills/The Associated Press

Felix S. Bloch, left, watching a woman being helped after she was knocked down by a television cameraman photographing him while he was shopping at a grocery store in Bethesda, Maryland. The supermarket manager then asked the television crews to leave his store.

Bloch Passes Up Chance to Deny Spying

By Stephen Engelberg
New York Times Service

WASHINGTON — Felix S. Bloch, the State Department diplomat under investigation for espionage, has broken his silence to give hints, but no denials, about what American officials say they suspect was a long career of spying.

It was Mr. Bloch's first substantive public comment on the suspicions of his involvement with a Soviet agent since the case was disclosed on July 21.

In an interview last week with a correspondent for the Austrian Broadcasting Co., Robert Wiesner, Mr. Bloch brushed aside several invitations to declare his innocence, saying, "I cannot answer that question now."

But Mr. Bloch confirmed that he had dined in a Paris restaurant on May 14. The U.S. officials say that he passed a briefcase to a Soviet intelligence officer in a Paris restaurant on May 14.

The U.S. officials have said that they assume that the bag had contained secret information but that they have no evidence to prove it.

Mr. Bloch, who was the No. 2 diplomat at the U.S. Embassy in Vienna, was placed on administrative leave from the State Department on June 22. He has not been charged with any wrongdoing, but he has been subjected to heavy FBI surveillance.

The Justice Department has said that the disclosure of the Bloch investigation has damaged its ability to collect evidence in the case.

A spokesman for Attorney General Dick Thornburgh said, "There is no doubt that premature disclosure of that case did compromise the investigation."

In the interview, Mr. Bloch would not say whether his dinner guest on May 14 was Reino Gikman. The U.S. officials have said that Mr. Gikman was a Soviet spy traveling under a false identity as a Finnish computer salesman.

The meeting between Mr. Gikman and Mr. Bloch was observed and photographed by French intelligence agents who were acting on a U.S. request.

The U.S. officials said that they were baffled by Mr. Bloch's decision to discuss aspects of a case in which the suspect has led government law-enforcement officers and reporters on long walks through Washington.

No other espionage suspect gave press interviews while his case was under investigation.

A tape of the interview with Mr. Bloch was broadcast by Cable News Network, which provided a simultaneous translation.

Mr. Bloch seemed to enjoy the parrying and matching of wits with Mr. Wiesner. Here is an exchange:

Question: Were you in Paris on the 14th of May?

Answer: Was I in Paris on 14th of May? Yes.

Q. And did you meet Mr. Gikman there?

A. That is something I cannot tell you. I cannot answer this question now.

Q. Did you meet a gentleman in a restaurant, and did you leave a briefcase in the restaurant?

A. Now you have worded the question in a very careful manner. I had been in Paris on the 14th of May. I had been in a restaurant. Many people were in this restaurant, and I enjoyed the dinner very much.

Q. And do you miss your briefcase since then?

A. (Pause) No.

In an interview with The New York Times last week, Mr. Bloch was questioned on how long he would remain in his current limbo status.

"I'm not the one to ask," he said. "I'm 54 years old. There is some history of longevity in my family. It could go on for another 35 years. People might tire of it."

Jewish Group Upset By Pope's Address

By Alan Riding
New York Times Service

ROME — With Roman Catholic-Jewish relations already strained by the continued presence of a Carmelite convent at the site of the Auschwitz death camp, a Jewish organization has complained that recent comments by Pope John Paul II suggested that God's covenant with the Jewish people had been superseded.

The organization, the Anti-Defamation League of B'nai B'rith, said that the pope's remarks, at his weekly general audience on Aug. 2, were "unavoidably prejudicial" and seemed to contradict previous Vatican statements on this delicate theological issue.

In a letter to the Holy See's Commission for Religious Relations with Hebraism, the organization said it looked forward to "urgent clarification of the matter so that we may demonstrate to the world that the clock of Catholic-Jewish relations has not been tragically set back."

The dispute touches on a fundamental Jewish belief that God's covenant with the Jews, establishing them as the chosen people, has remained unbroken since the time of Moses.

In his homily, the pope said: "We consider the coming of the Holy Spirit at Pentecost as the fulfillment of the new and everlasting covenant between God and humanity," which was "sealed in the blood of Jesus."

He said that the Old Testament showed many instances of the Jewish people's "infidelity to God" and that the prophets were sent "to call the people to conversion, to warn them of their hardness of heart and foretell a new covenant still to come."

"The new covenant foretold by the prophets was established through Christ's redemptive sacrifice and through the power of the Holy Spirit," he said. "This 'perfect gift from above' descends to fill the hearts of all people and to gather them into the church, constituting them the people of God of the new and everlasting covenant."

The Vatican has so far not responded to the protest. The commission's secretary, the Reverend Pier Francesco Fumagalli, said that the letter would be studied and a reply sent, but that it would not be made public.

The letter was signed by Rabbis David Rosen and Leon Klenicki, the Anti-Defamation League's Jerusalem-based liaison with the Vatican.

The controversy over the convent at Auschwitz, which was established in 1984 in a building once used by Nazis to store poison gas, has flared up in recent months after a previously negotiated deadline for its transfer to another site passed in February with no sign that the move was imminent.

Since then, some Jewish groups have organized protests outside the convent, while others have suspended contacts with the Vatican. In the wake of the protests, the archbishop of Krakow, Cardinal Franciszek Macharski, said he had canceled plans for an interfaith center near the site that was to have replaced the convent.

■ Rabbi Criticizes Protests

Rabbi Rosen on Saturday criticized Jewish protests at the former Auschwitz Nazi death camp, saying they helped provoke a Polish cardinal's decision to scrap plans to remove the convent, Reuters reported from Jerusalem.

Rabbi Rosen, who is the international director for interfaith relations of the Anti-Defamation League, said he agreed that a demonstration by seven Jews last month at the convent only complicated an already delicate situation.

Rabbi Rosen said the demonstration, in which the Jews were beaten by Polish workers after they entered the convent grounds by climbing a fence, was ill-considered.

"There are times within Jewish life when it is appropriate to be vocal and aggressive," he said, "but I think on this issue the facts have demonstrated that these can be very counterproductive."

In Asia,

Which do you prefer?

Hong Kong
The Peninsula
Japan
Osaka
Royal Hotel
Tokyo
Imperial Hotel
Hotel Seiyo Ginza
Korea
Seoul
Hotel Lotte
Philippines
Manila
The Manila Peninsula
Singapore
Goodwood Park Hotel
Thailand
Bangkok
The Dusit Thani

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For Universal Studios, Disney's Mickey Mouse Is a Dirty Rat

By Jeffrey Schmalz
New York Times Service

HALLANDALE, Florida — When officials at Universal Studios heard that the Walt Disney Co. had ordered three day-care centers here to destroy unauthorized murals of Mickey Mouse and his pals, they were ecstatic.

Universal rushed a team of artists to Hallandale last week. They painted over Mickey and Pluto and Snow White, and in their place, to the cheers of local children, the artists drew Woody Woodpecker, Fred Flintstone and a host of other cartoon characters owned by Universal and its associate, Hanna-Barbera.

It was the latest blow in a corporate war between Disney and Universal, two of the entertainment industry's giants. It is a war fought on the plain of public relations, a nasty feud in which no blow seems too low and hundreds of millions of dollars could be at stake.

The war grows out of a confrontation of Florida theme parks. In May, Disney opened its $500 million 135-acre (54-hectare) Disney-MGM Studios park near Orlando, featuring attractions based on the movies.

Next spring, Universal, in association with Hanna-Barbera, is to open its $500 million, 444-acre movie theme park, in Orlando.

Whether out of genuine anger or a calculated strategy to damage Disney's stock in trade, its image of fairy tales and sweet innocence, Universal seems intent on getting out the word that Mickey Mouse is really a dirty rat.

Some Universal executives assert that Disney stole some of their ideas for the park. And they argue that Disney is using its dominance of the Orlando area to hinder Universal's efforts to open its park.

Disney, with 30,000 workers the area's largest employer, has over the last two decades almost single-handedly built Orlando into a major tourist spot that draws more than 15 million visitors a year. It has the Magic Kingdom, Epcot Center and now the movie theme park.

Disney executives say Universal is just jealous. They say Universal officials are desperate because Disney opened its park first.

And they say Universal knows it will be always be an afterthought, the "other" attraction, in Orlando. Disney's presence is so great that its $1.47 billion in assessed property accounts for 8 percent of Orange County's real estate tax base.

The dispute is not just a local one. Wall Street analysts say whoever wins the battle of the movie theme parks in Orlando could gain the advantage in building similar parks elsewhere in the world, though they add that winning is more important for Universal because Disney can always fall back on its worldwide reputation for entertainment parks.

"The one that wins Orlando wins the world," said Jay S. Stein, the president of recreational services for MCA Inc., the parent company of Universal.

The parks will be remarkably similar, including rides that duplicate natural disasters like earthquakes and rides that put visitors into the middle of movie scenes being "acted" by lifelike figures. Both include behind-the-scenes looks at how movies are made, including stunts and special effects.

Universal, which created the original movie theme park with its highly successful Universal Studios tour in California, says that Michael D. Eisner was shown the plans for its Florida park before he became chairman of Disney and that he has since borrowed some of the ideas for the Disney park.

As a result, Mr. Stein said, "We've had to change the concepts from our original plan."

Disney officials dismiss Universal's charges as insulting. They say that Mr. Eisner never saw plans for the Universal park and that Disney had been considering a movie theme park since the 1950s.

"Universal's arguments are built totally on sands of fantasy," said Erwin Okun, Disney's senior vice president for corporate communications.

"They have been planning their park since 1981. Now we have opened ours quite successfully, and I think they are, right now, sucking on particularly sour grapes."

Disney's strategy for its movie park's success is the same as for its whole 28,000-acre operation here: lure tourists to Disney World and then provide them with hotels, stores, restaurants and so much entertainment that they never venture out to any of Orlando's other attractions.

Universal's strategy is to let Disney lure the tourists to Orlando, then inundate them with so much advertising here — billboards, for example — that their curiosity is piqued and they desert Disney for a few hours to visit Universal.

The war may depend on a battle of the movies. Universal is counting on the lure of attractions based on blockbuster Universal hits like "Jaws," "E.T." and "Back to the Future." It is also counting on the draw of the director Steven Spielberg.

Disney, through deals with other studios, like Paramount and MGM, is relying on movies like "Indiana Jones and the Temple of Doom," "Star Wars" and "The Wizard of Oz."

Leland Plane Wreckage Indicates No Survivors

The Associated Press

ADDIS ABABA, Ethiopia — Rescue workers on Sunday located the wreckage of a plane that crashed six days earlier with Representative Mickey Leland and 15 other persons aboard. U.S. officials said no survivors were found.

The plane crashed near Gambela, a town in southwestern Ethiopia about 50 kilometers (30 miles) from the Sudanese border and 100 kilometers from its destination, a refugee camp, a spokesman for the U.S. Embassy in Addis Ababa said.

The plane went down in rugged highlands near two dirt airstrips that the pilot may have been trying to reach because of bad weather.

"The crash site was located," said James Haley, the embassy spokesman. "U.S. helicopters put down. They have confirmed 13 dead, and the presumption is that the other three are also dead."

Mr. Leland, a Texas Democrat who heads the House Select Committee on Hunger, was accompanied by eight Americans. They included a friend, three members of his staff, three workers for the U.S. Agency for International Development and the wife of one of the agency official.

The others aboard were Ethiopian: a three-member crew, a Foreign Ministry officer, a member of the national research and rehabilitation commission, another official and a development agency employee.



Reuters

Representatives Alan D. Wheat of Missouri, right, and Gary L. Ackerman of New York, preparing to board a U.S. military helicopter during the search for the airplane that crashed last week in Ethiopia.

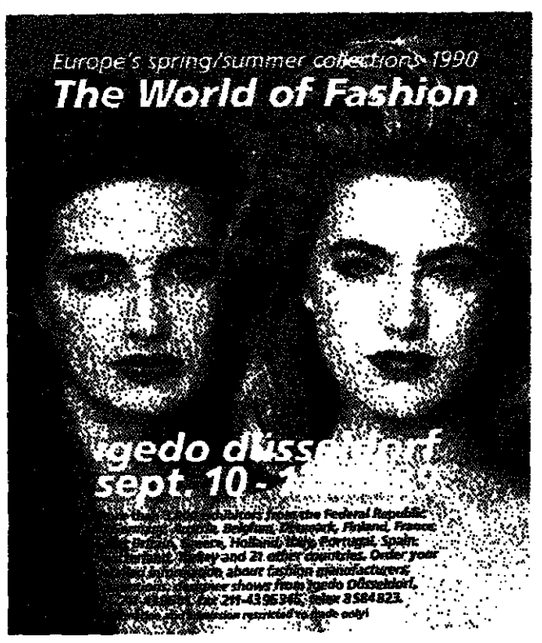
Nathan Levine, Movie Producer, Is Dead at 89

The Associated Press

LOS ANGELES — Nathan (Nat) Levine, who worked with the actors Gene Autry and John Wayne and headed Republic Pictures in a career spanning the silent and sound eras of movies, has died at age 89.

Mr. Levine died Aug. 6 at the Motion Picture and Television Hospital in the Woodland Hills area, the hospital reported Friday.

He entered the film business at age 20 as an independent distributor, specializing in films rejected by the major studios. Seven years later, Mr. Levine opened a production company, Mascot Pictures, in North Hollywood. At Mascot, he churned out 500 reels of serials.



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Herald INTERNATIONAL Tribune
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An Evolving Japan

Japan's Liberal Democratic Party has now chosen, in Toshiki Kaifu, a prime minister whose chief virtues seem to be earnestness and inoffensiveness. Unlike most of the party's more senior figures, he has not taken money from the Recruit Company. His private life is said to be blameless. The party's managers have thrust him forward, with a notably inexperienced cabinet, in the hope that voters' new attention to political morality will shortly fade away, like a flu epidemic. But maybe it won't. If not, Japanese politics is going to change fundamentally.

For the past generation Japan has had what amounts to a one-party democracy. The democracy is genuine, but the Liberal Democratic Party has held power continuously for 34 years. The LDP system has depended on a lack of public interest in political ideas and on a consensus that management by a self-perpetuating center-right hierarchy was best for the country. All that appears to be changing.

But the LDP's extraordinarily long tenure means that none of the opposition parties has had any experience in governing. The strongest of them, the Socialist Party, has been nowhere near power since the years immediately after the war. It has a talented leader, Takako Doi, who clearly intends to give Mr. Kaifu more of a challenge than any Japanese prime minister has faced in decades from any party but his own. But, like all parties too long in opposition, the Socialists know better what they are against than what they are for. They have their own internal divisions, which will get more important if they continue to gain seats.

Japan is in a true political crisis, but it is purely political. Crises generally arise because things are going wrong in the country. Happily, that is not true in Japan. The economy is humming along with, as usual, the highest growth rate, lowest inflation and lowest unemployment of any large country. There is no imminent threat from abroad. While this crisis runs deep, it is limited wholly to the means of governance.

Since the LPD took power, Japan has become better educated and spectacularly wealthier. The LDP has always drawn its primary support from business, large and small, and from the farmers. But since 1955 there has been tremendous growth of an urban middle class, people with interests not only as producers but also as consumers and inhabitants of a very crowded environment. Japanese politics, under the present management, does not give them much representation. Perhaps that is why the political system is now in trouble.

— THE WASHINGTON POST.

Tasks for Congress

Americans' elected representatives left Washington last weekend in dire need of a vacation, which, by their own admission, they had done little to earn. The first seven months of the 101st Congress were filled with distraction and turmoil, yielding little of substance. Yet a demanding agenda looms ahead, and for that a brief period of rest and reflection is surely in order.

The worst distractions are probably past — the sour, enervating struggles over personalities. The fight over John Tower, George Bush's nominee for defense secretary, occupied the Senate for 50 days and nearly sabotaged the new spirit of comity that Mr. Bush and congressional leaders had pledged to achieve. The House, meanwhile, drifted embarrassingly for months through the troubles of Speaker Jim Wright.

This Congress also seemed peculiarly condemned to cleaning up old messes. It deserves great credit for its efforts to rescue and reform the savings and loan industry.

But, compared with the achievements of the 100th Congress on trade, civil rights and welfare, the 101st seems to have spent most of its energies tinkering and bickering.

That is partly true. And partly unfair.

The 100th Congress achieved its successes in its maturity; the 101st is young and its leadership mostly new. There is every reason to expect that the Senate majority leader, George Mitchell, and Thomas Foley, who replaced Speaker Wright, will grow stronger.

Furthermore, Congress is historically a reactive institution, and Mr. Bush didn't offer it a lot to react to.

Finally, the 100th Congress, whatever its achievements, did virtually nothing to attack the Reagan deficit — a legacy that haunts its successor.

Mr. Mitchell and Mr. Foley promise a more aggressive Congress starting in September. Here are issues to test that promise.

Social welfare. Pieces of what could be an impressive and badly needed child care package are floating all over Capitol Hill. The Senate has passed a broad bill that includes a program of income tax credits for the working poor with children. Measures in the House would provide the same credits, as well as grants to states for child care and a bigger Head Start program. The trick will be to pull these elements together.

The environment. Mr. Bush has challenged Congress to overhaul the Clean Air Act of 1970. His proposals are controversial and potentially costly to business and consumers. Industry thinks they go too far; Democrats will seek to strengthen them. But the public, in poll after poll, has spoken: Debate, but clean the air.

Ethics. The Senate held John Tower to high ethical standards, but Congress seems unwilling to establish its own. In February it capitulated to public pressure and denied itself a 51 percent pay raise. It thereby punished thousands of other deserving public servants, while preserving its own seedy income supplements from special interests, called honoraria. These payments require urgent attention — as do the revolving-door activities of former legislators and the hopelessly leaky laws on campaign spending.

Foreign policy. Sensing a dramatic change in East-West relations, including a reduction in the Soviet threat, Congress responded by cutting back defense programs. The House cut far more than the Senate, and differences remain to be resolved. What is needed most is guidance from Mr. Bush, who has responded grudgingly to Soviet President Mikhail Gorbachev's overtures on arms control and has yet to offer a coherent strategy and budget reflecting the new realities of global power.

Inevitably, the most popular programs will be those that don't cost the government money. That is because neither Congress nor the president has figured out how to pay for programs — education, for example, or William Bennett's proposed war on drugs — that do cost money.

The political deadlock over the budget deficit is the biggest single reason for what Senator Daniel Patrick Moynihan calls the "hush" that has fallen on Washington — by which he means stasis. Breaking that deadlock, either with more taxes or with very creative programs, will be the central question of the 101st Congress.

— THE NEW YORK TIMES.

Prospects for Ulster

Summer is usually a perilous time in Ulster. Traditional celebrations of the victory of Protestant forces over Catholics in the Battle of the Boyne in 1690 have been occasions for violence on both sides. The civil rights demonstrations that degenerated into the current period of civil warfare began in the summer. And it was 20 years ago this month that British troops were sent to Northern Ireland to keep the peace. Terrorists on both sides have made that goal elusive. Thousands, including many civilians, have been killed, and harsh repression and counterterrorism ensued. However, after years of violence and rigid separatism, prospects for peace in Ulster look better this summer than they have in a long time.

Much of the progress toward reconciliation has occurred since the signing of an Anglo-Irish accord in November 1985. It provided a permanent mechanism for cooperation between Britain and the Irish Republic on matters involving Ulster. This has led to significant improvements, especially in law enforcement and criminal justice.

Most recently, two other important steps have been taken. The first involves schools. The government in Northern Ireland supports two separate school systems, one Catholic and the other almost entirely Protestant. Now, for the first time, the government has adopted a policy of encouraging the development of alternative, integrated schools that parents, both Protestant and Catholic, can choose for their children. A new curriculum is also being prepared for all state-supported schools so that children from different communities, for example, will be taught the same version of national history. Finally, mixed groups of Catholic and Protestant youngsters are being sent abroad to study international examples of reconciliation.

Employment discrimination has been a major problem in the province. The rate of unemployment among Catholic men is two and a half times that of Protestant men, and the government concedes that 1970s legislation against job discrimination has been ineffective. On July 27, the British Parliament gave final approval to a new fair-employment law that will require employers to keep data on the religious affiliation of workers and job applicants. The government will monitor these figures and now has the power to set goals and timetables for improvement. This new law, providing the minority meaningful protection against job discrimination, is surely a factor contributing to the improved climate in Ulster this summer.

— THE WASHINGTON POST.

Other Comment

The Republic Wants Stability

From the 1940s until the end of the 1960s the objective of Irish policy in relation to the United Kingdom was, at least in theory, to persuade Britain to restore the unity of the island by "handing over" Northern Ireland. But with the emergence of violence in Northern Ireland — a violence which opinion in the Republic has seen as deriving primarily from the IRA — the focus of Irish policy has shifted single-mindedly to the restoration of peace and stability. Unity is now seen clearly as something that will and should come about only with the consent of a majority of the people of Northern Ireland — a consent clearly absent now and unlikely to emerge until long after the ending of the violence.

— Garret FitzGerald, commenting in The Observer (London).

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OPINION

Don't Expect the Young in China to Stay Quiet for Long

By Jay Mathews

BEIJING — Chinese students are returning in the muggy, midsummer heat to their university campuses after mounting the most serious, widespread challenge to the government since the Communist Party took power in 1949. Many of their schoolmates, as well as soldiers, workers and innocent bystanders, died in the June crackdown that ended the uprising. Despite government assurances, more protests seem likely, and for reasons that go to the heart of what it means today to be young in China.

Classes don't usually begin in mid-August, but the authorities have concluded that the only cure for the spring's student strike and the popular dismay over the crackdown is several weeks of political study. It is an almost comic attempt to drill once again into young brains the Communist maxims they have been hearing and ignoring for most of their lives.

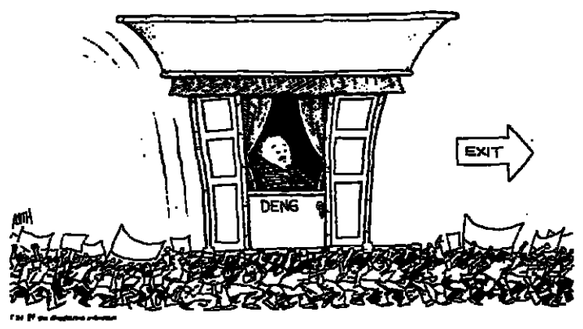
At Beijing's Qinghua University, for example, this Monday is the beginning of a month of four-times-a-week ideological classes.

These elaborate preparations, the official press says, mean that all will be peaceful this fall. Many in the foreign community, as they welcome back their families and resume diplomatic talks and business negotiations, appear to agree that the *donghuan* (turmoil) is over. Don't believe it. Visit university campuses after dark. Young people are still talking about democracy and the bloody June suppression.

The "Five Star" Brothers, whom I met on the Beijing University campus late last month, gave me my strongest impression of continuing student resentment and recklessness. They were three young men in their fourth year who had been called back to campus for summer political meetings and job assignment discussions. "Five Star" was their favorite brand of beer. They were sampling it when I found them, a possible explanation for their lack of inhibition in talking to me.

"Why should we worry about what the government does?" asked one. "How long is it going to last anyway?" Two of them were mathematics majors, one was in computers. They had a stack of Chinese money from dealing in black market currency exchanges. They discussed a new computer business they were certain would make them rich.

I saw them three nights later, and had a longer talk. They said they were enrolling in graduate programs while they played at irritating the government. "There are a few of us ready to do something," said one. "Maybe post a few poems about capitalism? Have a little march? You just have to plan it right, and know who the spies are. You notice the tanks never came on the campus, and whatever they do to us won't last. We were down in the square, and nobody's come to talk to us about it. They're afraid to be too severe."



Several students repeated variations on that theme. Deng Xiaoping announced five days after the crackdown that the opening to the West would continue. He would not (probably could not) close China to every uncontrollable impulse of the modern world. So change here is inevitable, the students said, even if some blood might be spilled along the way.

Some of this was probably bravado, but after spending several nights talking to students and some of their younger instructors I am convinced that there is a substantial minority of young Chinese ready to test the government's patience again.

It will probably not happen immediately, and almost certainly not on Tiananmen Square. But before the coming school year is over the frustration with the drab lives many students see ahead of them is likely to reveal itself in a vivid way. The reason is that the army crackdown has made a surprisingly small dent in China's growing rebelliousness.

Thousands of people were arrested and some were executed in the reign of terror that followed June 4. But, after two months of waiting for a knock on their own doors, tens of thousands of young people who made public anti-government statements last spring are beginning to realize that the government does not have the stomach — no matter what the rumors say — to go after them.

Prime Minister Li Peng, one of the leading hard-liners, has called for 90,000 arrests, according to one report. But the people actually detained for long periods of time, outside of a few easily identified demonstration leaders and a host of known petty criminals, seem to be workers who destroyed property or attacked troops.

That leaves more than two million Chinese university students free to return to school if they merely parrot the party line at political study sessions.

The vast majority of students will go back to class and stay there, keeping their peace and waiting for the day when — as almost everyone here assumes — a more friendly government takes power. But a smaller number are impatient with waiting. Many of these appear to have been emboldened, rather than frightened, by what has happened to outspoken protest leaders since early June.

"What difference does it make if I speak out now and they put me in jail?" said a slim, intense, third-year student at People's University. "Under this government, whatever job they give me is a jail — for 200 yuan ($54) a month."

It is significant that the first student demonstration since early June, a small late-night sing-in at Beijing University on July 23, grew out of several fourth-year students' rage that they were being denied immediate job assignments because of their political activity last spring.

Such tactics suggest to me that the authorities have completely lost touch with their own society. The spring demonstrations would not have been nearly as large, or as violent, but for the presence of thousands of young workers without permanent job assignments and with no real incentive to obey anyone's rules.

The New China News Agency has reported that there are 130,000 people without jobs in Beijing this year. Throwing articulate, disenchanted college students into that group is tossing matches into tinder.

"They have nothing to lose, absolutely nothing," said a young instructor at Qinghua who thought that a feeling of reasoned recklessness also extended to students in good standing who shuddered at the dreary, low-paid office jobs ahead of them.

Prime Minister Li has told a visiting foreigner that the government will stop any turmoil "in the embryonic stage." In reality, such orders from the Politburo trickle down to become little more than a few hasty interviews with a few outspoken students.

According to the daily Wen Wei Po in Hong Kong, only one student, a literature major named Xiong Dayong, was expelled after the Beijing University protest by 300 students on June 23. The government cannot cart every "embryonic rebel" off to the Beijing Number One Prison, and the half-measures employed instead only add to the volatile mixture of annoyance toward and disdain for authority.

Twenty years ago people had good reason to fear that their closest friends would turn them in if they whispered an anti-government slogan. Even today there are reports in the official media of dissidents turned in by friends and relatives. No one quoted in this article wished his or her name printed, and dark corners were the preferred spot for interviews.

But many people spoke in front of friends of their distaste for the government, with no apparent fear of being betrayed. Youthful abandon has resurfaced after a long absence. College youths in Beijing talk like college youths around the world. They sound profane, naive, boastful, lighthearted, adventurous.

There are few Western ways of testing young nerves here. One that has taken hold is motorcycle riding, and it is significant that young Chinese drawn to this pastime formed an important messenger corps for the democracy movement before the crackdown. The "Five Star" brothers told of their drinking exploits, then added tales of what they did on Tiananmen Square, suggesting that politics has become again — as it was during the Cultural Revolution — a powerful outlet for thrill-seekers.

The June 23 Beijing University demonstration used patriotic songs and nursery rhymes for its non-protest protest, and there are many ways to tweak the government without risking full-scale confrontation.

Could officials complain, for instance, about a student art show with ghastly renderings of June 4 violence, when their own military museum just put up photographs of the same thing? Would a march around the campus supporting the Politburo's new anti-privilege directive be something the authorities could crush without embarrassment? And once students have pushed the limits that short distance, wouldn't the temptation to go further be irresistible?

The Washington Post.

Solidarity With the People, Not With the System

By Brian Beedham

LONDON — To the outsider in the democracies, it may seem obvious that Solidarity ought to organize a non-Communist government for Poland. Two months ago Solidarity beat the Communists upside down in the free part of the first semi-free election in Poland in 40 years. The alternative to a Solidarity takeover looks all too familiar. The Communist general who imposed martial law in 1981 is now president, another Communist general who carried it out is prime minister, and the martial-law-period prime minister has become leader of the Communist Party.

Lech Walesa has approached the two small parties that used to be tied to the Communists' apron strings to talk about a Solidarity-led coalition. Signs of interest have emerged from both. So why hesitate?

For good reasons well understood by many of Solidarity's other leaders, who rather wish that Mr. Walesa had held his tongue.

In a Communist country "the government" is not just a matter of who sits in the ministries in the capital. Under the ministries there broods a huge apparatus of people who believe they are entitled to give detailed orders about almost every aspect of life; they are all Communists, or Communist trusties. And every Communist country's economy is run according to unworkable rules that will have to be changed if the new government is to have any chance of success. Here are two necessary demolition jobs on which at least a start has to be made before a handover makes sense.

Beyond much doubt, many of Poland's leading Communists (including the men who are now president and prime minister) accept that most of what their party has done in the past 40 years has been a failure. One-party rule has not worked; the Polish economy is a ruin; most Poles loathe Marxism. These men are prepared to let non-Communists have a go at government. But they know that many of the party's lower ranks — the huge number of comrades who owe their comfortable little jobs to party grace and favor — are horrified at the thought. Solidarity knows it, too. A counterrevolution among the apparatchiks cannot be entirely ruled out.

This is why the winner of June's election has so far insisted on staying in opposition, while the loser has insisted that it should stay in the ministries. It looks odd, but it may make sense until the road has been cleared to a calm transfer of power.

One major piece of road-clearing has in fact been carried out. The last act of outgoing Prime Minister Mieczyslaw Rakowski (now the new party boss) was to take the lid off virtually all food prices. The result was very painful: a doubling, or worse, of the cost of eating. But it was an essential act of decommunization, a necessary step toward the free market economy that is the only way of filling Polish shops with better, cheaper goods.

Other things now have to be done to expand agricultural production and improve the distribution of food; but rational prices are the basis of it all. Good for Mr. Rakowski that he let the Communists take the blame for this tough decision.

An equally bold decision is needed about the nomenklatura — the long, still secret list of jobs reserved for party men and their friends. The Communist grip on this hidden infrastructure of power must be loosened.

Some loosening has already happened. The party's monopoly of the press has been broken by Solidarity's newspaper. Judges are now to be chosen by other judges, not by the party. A huge amount remains to be done. Solidarity reckons that, in all, the nomenklatura covers not far short of a million jobs. Until that figure is sharply cut, any non-Communist taking over a ministry in Warsaw will find himself pulling levers that produce no response from the machinery below.

To arrange for this to happen is the last hope of those Communists who still want to cling on to control of Poland. If they can maneuver Solidarity into taking the blame for unpopular decisions without really being able to run the country — if they get Solidarity to accept responsibility without power — these die-hard Communists reckon that, out of the ensuing welter of disillusionment, they might emerge still on top. They should not be helped to get away with it. Poland's Communists are probably on the way out, but they have some tidying up to do before they go.

International Herald Tribune.

Waiting for a Democrat Who Knows How to Win

By David S. Broder

BEAVER ISLAND, Michigan — A year ago this week, George Bush accepted the Republican nomination at the New Orleans Superdome and launched the campaign that made him president. His speech that night opened with these words: "I mean to run hard, to fight hard, to stand on the issues, and I mean to win." It ended with him leading the crowd in the Pledge of Allegiance.

In a new book, "Whose Broad Stripes and Bright Stars: The Trivial Pursuit of the Presidency 1988," political columnists Jack W. Germond and Jules Witcover argue that Mr. Bush, although he may have fought hard, won only by running away from the issues. It was, they assert, one more example of the tendency for campaigns to be "decided on the basis of technique rather than issues."

That is a popular thesis but a puzzling one. The "technique" they refer to was hardly new. It involved researching the record of the opposition candidate, Michael Dukakis, testing the reactions of small groups of voters to some of his vulnerabilities and then publicizing those weaknesses through speeches and ads.

In the spring of 1988, when the Bush campaign manager, Lee Atwater, told research director Jim Pinkerton to list Mr. Dukakis's weak points on a 3-by-5-inch card, he got back seven topics: taxes, defense, drug penalties, the death sentence, pollution in Boston Harbor, the Massachusetts prison furlough program and the veto of a bill requiring the Pledge of Allegiance in public schools. The potency of those issues was proved by the reaction of a focus group of Democratic-leaning voters in Paramus, New Jersey, just before Memorial Day. The next week Mr. Bush began slugging Mr. Dukakis with those issues as a way to reduce and ultimately reverse his likely opponent's early lead.

That is essentially the story that Mr. Germond and Mr. Witcover tell, fleshed out as always with the anecdotes and interviews that have made their books on the last three campaigns the linear descendants of the late Theodore H. White's narratives of the presidential battles of the 1960s.

What is striking is the disillusionment of these veteran political reporters. It is as if the more they see of competitive politics, the less they like it. These old friends and contemporaries of mine are obviously too young to be victims of nostalgia or to romanticize bygone days. How then to explain their disillusionment? My hunch is that they are frustrated — and rightly so — with the kind of candidates the Democrats have been serving up for their dramas — Jimmy Carter, Walter Mondale, Michael Dukakis.

The vulnerabilities that Mr. Pinkerton found in Mr. Dukakis's record were real, and so were the concerns they evoked in voters who knew little about either candidate. They need not have been decisive, however, had Mr. Dukakis not been so tardy in defending himself and so reluctant to exploit the openings that Mr. Bush's record provided. The evidence for that statement can be found in one of the best chapters in the Germond-Witcover book, the account of the Democratic convention in Atlanta. That gathering, they rightly argue, was not the triumph the Democrats thought at the time, but "a wasted opportunity."

They quote Mr. Bush's advertising man, Roger Ailes, as telling them in a post-election interview that when the convention began with devastating ridicule of Mr. Bush by keynoter Ann Richards, the Texas state treasurer, and Senator Edward Kennedy of Massachusetts, he thought, "We got trouble here." Listening to Senator Kennedy's "Where was George?" routine about the scandals of the Reagan administration, and Mrs. Richards's populist jab at the politician "born with a silver foot in his mouth," Mr. Ailes said, "I honestly sat there and thought: Oh, well ... that's the theme of one ad ... There's the theme of another ad ... I thought they must have had ads. I would have ... to get people laughing at him."

But the Democrats didn't have such ads, then or later, because, unlike the Republicans, they lacked discipline or the organization to see what must be done to win the general election. And their candidate, unlike John Kennedy, Lyndon Johnson or Hubert Humphrey, lacked the improvisational genius or wit to create such a campaign as he careened around the country.

Mr. Germond and Mr. Witcover deserve, just once, to have that kind of Democrat to liven up the plot of their book. But they are young guys, so there's no rush.

The Washington Post.

Politics as a Branch of Show Business

By James Thurber

Mr. Thurber, the humorist, wrote this article a few months before his death in November 1961. It will appear in the book "Collecting Himself: James Thurber on Writing and Writers, Humor and Himself."

HISTORY is replete with proofs, from Cato the Elder to Kennedy the Younger, that if you scratch a statesman you find an actor, but it is becoming harder and harder, in our time, to tell government from show business.

The Congress of the United States, for many years now, has staged, rather than conducted, its subcommittee investigations, turning them into veritable television plays, starring various senators and congressmen. During the probe of the so-called Hollywood Ten, some years ago, at least one scene was actually rehearsed in advance, the way a drama is rehearsed in the theater.

A famous movie actor, whom I shall call the Friendly Witness, said, on the stand when the curtain went up, "There is one name that is never heard at a meeting of Hollywood Reds."

"What name is that?" a rehearsed congressman demanded.

"God," said the Friendly Witness.

Congressional procedures reached the high water mark of show business, of course, when that great ham, Joseph McCarthy, was starred in a series of television plays that might have been called "The War Against the Army." At that time, in my histrionic country, one professor of political science deplored the bold and bad entrance of government into the area of show business, but the trend could not be stopped.

As if to fight back, or at least to hold its own, the Broadway theater in recent years has staged plays dealing with government, such as "Sunrise at Campobello," which starred Ralph Bellamy as Franklin D. Roosevelt, "The Gang's All Here," which starred Melvyn Douglas as Warren G. Harding, and "The Best Man," in which more than one president or presidential aspirant was identifiable. Previously we had had "The Patriots," in which both George Washington and Thomas Jefferson appeared, but by far our best known Broadway president is Raymond Massey, who played Abraham Lincoln more than once, so often, in fact, that the American playwright and wit, George Kaufman, said of him, "Massey won't be satisfied until he's assassinated."

This determined and continuing erasing of the line that once separated government and show business reached its most notable point during the last presidential campaign, when John F. Kennedy and Richard Nixon were co-starred in a series of television plays, mistakenly called debates. As everybody knows, the physical appearance, or makeup, of the two political actors played at least as important a part in the shows as what they had to say. From now on, I think it is safe to predict, neither the Democratic nor the Republican Party will ever nominate for president a candidate without good looks, stage presence, theatrical delivery and a sense of timing.

As a fond follower, or rather fan, of the new leading man in the White House, and his theatrically effective family, I am somewhat concerned about the choice of "The New Frontier" as the general title of the series of plays he is so dramatically staging in Washington. What is to prevent Senator Barry Goldwater of Arizona, a conservative opponent of the president's party, and a man described by other men as handsome and by women as cute, from getting himself starred in a television Western called "The Old Frontier" and winning the audiences of America away from Caroline's father? If there is one fact about the United States that can be stated without fear of successful contradiction, it is that Americans, or the vast majority of Americans, are in love with the Far West, the Old Frontier.

There is much discussion in America at present about a proposed federal, or national, theater. It has stirred up great opposition, as any project called federal or national is bound to do in a nation dedicated to free enterprise and states' rights. I think though that I see the way in which a compromise will finally be effected. Senators and congressmen will demand, as a prerequisite to the establishment of a national theater, the right to be cast in Broadway plays.

It does not trouble me to imagine Adlai Stevenson playing Hamlet, but what does worry me is a recurring nightmare I have about the rewriting of certain plays of Shakespeare to fit the modern governmental scene.

In the first of these bad dreams, I saw Lady Macbeth enter, not with a taper, but with a ballot box. From then on my fancies got out of hand, almost out of mind. I could hear a senator declaiming, "To be elected or not to be elected, that is the question." I also heard the ugly paraphrase, "Out, out, brief candidate!"

Everybody is having bad dreams nowanights, and I have no wish to make them worse, so I will cease all this wild imagining with one final bit of denigration of the Bard's lines: "Flights of voters sing thee to the White House." The rest is silence.

The New York Times.

100, 75 AND 50 YEARS AGO

1889: General 'Guilty'

PARIS — The *Herald* says in an editorial: "The fine old crusted combination of judge and jury, the High Court of Justice assembled at the Luxembourg Palace, has found General Boulanger guilty of plotting against the public peace, and of attempting to upset the present government. More charges will probably be registered and for some time to come it will be unsafe for Boulanger to show his face in France."

1914: German Setback

ST. PETERSBURG — An official report states that a considerable force of the German 20th Army Corps, supported by artillery, has unsuccessfully attempted to recapture Eydtkuhnen, the frontier station of the railway line north from Warsaw, but were repulsed with heavy losses. A Moscow newspaper publishes the text of a proclamation to the Poles issued by the Germans, which promises them liberation from the Russian yoke. They have been received with derision by the Polish population.

1939: Shanghai Tense

SHANGHAI — Anti-nationalist handbills instead of bombs showered this metropolis today [Aug. 13] on the second anniversary of the battle of Shanghai. While a Japanese navy plane circled the International Settlement dropping handbills, and Japanese infantry distributed others, warning Chinese employed by Britons to quit, and also urging a "return" of British schools and commercial concerns to the Chinese, Concession officials wiped furrowed brows as the day ended quietly. The tension here, brought on by the bombing yesterday of a Japanese office, was aggravated today when a Japanese spokesman confirmed reports that thousands of Chinese guerrillas were concentrated in the vicinity ready for an attack on the Japanese-occupied city.

Party Apparatchiks Continue to Plague Gorbachev's Efforts

By David Remnick
Washington Post Service

MOSCOW — A Soviet magazine recently printed a cartoon of a conveyor belt spitting out faceless men sitting at identical desks. The drawing portrayed a problem that is still bogging down President Mikhail S. Gorbachev's attempt to change this country's economy and politics.

The faceless men represented the country's nearly 18 million bureaucrats of the Communist Party apparatus. These are the planners and

NEWS ANALYSIS

directors and secretaries, most of whom mouth the platitudes of *perestroika* and *glasnost* at party meetings and then do little to advance radical reform at their offices.

The "party apparatchiks" are a cliché of political argument, but they are also a reality.

They are collective farm directors who try to limit private plots and leasing arrangements. They are bureaucrats who make life impossible for cooperatives with complicated regulations and licenses. They are central planners who prevent factories from becoming more independent by tying them up with huge state orders.

"By now, the vast majority of people realize that there is no alternative to Gorbachev, and he will probably remain leader for a good while," said his biographer, the exiled scientist Zhores A. Medvedev, after a trip to Moscow. "But they also see him as a man of good intentions who is time and again blocked by a resistant Communist Party apparatus."

In his four and a half years in office Mr. Gorbachev has led several major offensives against conservative party leaders, steadily reshaping the Politburo and the Central Committee more to his liking.

Last month, at a stormy meeting of the Central Committee, he said he was prepared to lead yet another offensive "at all levels" of the party, including the Politburo.

Conservatives such as Vitaly I. Vorotnikov are vulnerable. Yuri F. Solovyov, who lost his job as Leningrad party chief last month, is sure to lose his junior post on the Politburo as well. As for the conservative agriculture chief, Yegor K. Ligachev, Mr. Medvedev said: "He is scheduled to retire in a couple of years, so he may remain. Anyway, sometimes it is useful to have an unpopular man in the leadership."

More important than a few firings in the Politburo, however, is the status of the Communist Party apparatus in public life.

On the closing day of the new legislature's opening session last month, the human rights activist Andrei D. Sakharov said that until the country revoked Article 6 of the constitution, which makes the party "the leading and guiding force of the Soviet society and the nucleus of its political system," it was destined to flounder, leaving more ambitious plans for economic reform unrealized.

More than 80 percent of the 2,250 members of the new legislature, the Congress of People's Deputies, are party members, and many of them hissed at Mr. Sakharov's suggestion. Mr. Gorbachev also seemed squeamish about the subject and limited Mr. Sakharov's time at the rostrum.

The party refuses to imagine or engineer its own disintegration. In a recent edition of Pravda, the party's main newspaper, the lead editorial said: "We must stress quite firmly that the political system of socialism is inconceivable without the Communist Party of the Soviet Union."

Despite the trumpeting by Pravda, the party is clearly the most degraded institution in the country.

Mr. Gorbachev has said as much, spending hour after hour in speeches and news conferences describing the need to rehabilitate it "in the eyes of the people." Everyone from Moscow intellectuals to striking miners in Siberia and the Ukraine have shown their disgust for the party as an institution of power.

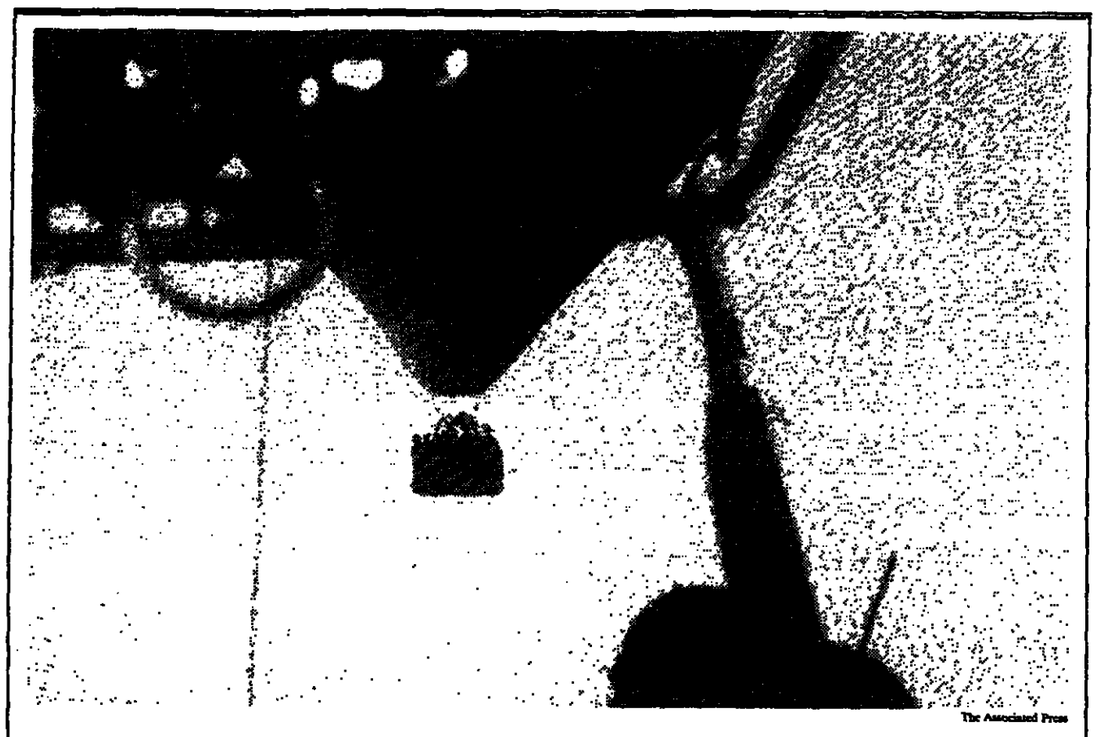
The situation has evolved quite differently in Eastern Europe. In Poland, Solidarity's leader, Lech Walesa, has concluded that after the organization's overwhelming victory in recent parliamentary elections, the Communist Party can no longer maintain its monopoly on power. He has urged that Solidarity and two smaller parties form a coalition government.

But in the Soviet Union the most influential figure of reform is also the head of the Communist Party. Pravda is constantly reminding readers that the party was the "initiator" of reform, without conceding that the party was also the architect of the country's stagnation.

Until now, the Communist Party has acted as a party not in the Western sense but, rather, as an all-embracing apparatus that controls decision making at every level of politics, culture, economics and education. To get ahead in Soviet society, it has been necessary to join the ranks of the 8 percent or 9 percent of the population with party cards.

Mr. Gorbachev envisions a different kind of Communist Party, an elite that initiates policy but leaves the business of governing and lawmaking to the new legislatures and to the local governing bodies, called soviets. "All power to the soviets!" is the clarion call of political reform.

At the same time, the idea of what such a "renewed" Communist Party might look like and what kind of power it would wield is vague. Even though millions of Soviet people are deeply cynical about the party and socialism, Mr. Gorbachev has ruled out the idea of opposition parties.



The Associated Press

13 Are Killed After Balloons Collide in Australia

A sight-seeing balloon drifting dangerously close to another balloon 2,000 feet above Alice Springs, Australia, on Sunday. Shortly after this photo was taken by an amateur photographer, the two craft collided, and the balloon pictured here collapsed and plunged to the ground, killing all 13 persons aboard. The balloon carrying the photographer landed safely.

Spy Charges Embitter Seoul Opposition

The Associated Press

SEOUL — A leading opposition party declared Sunday that it was launching a political battle against President Roh Tae Woo after the government charged that the party's leadership was implicated in a North Korean spy case.

"The days of cooperation with the Roh regime are over," the Party for Peace and Democracy said in a statement after a caucus presided over by its head, Kim Dae Jung. The government said Saturday that Mr. Kim was being investigated in the spy case, but he has not been charged.

The statement from Mr. Kim's party said, "We have no choice but to fight by all possible means. There should be no dialogue with people who are all out to destroy us."

It accused the government of mounting a "shameless and clumsy fabrication" aimed at destroying Mr. Kim.

Government prosecutors charged that Mr. Kim knew of a secret visit to Communist North Korea by a fellow party member, Suh Kyung Won, last Aug. 19-21 but failed to report it to authorities.

Prosecutors quoted Mr. Suh, who has since resigned from Mr. Kim's party, as confessing that he had received $50,000 after meeting with North Korean President Kim Il Sung in Pyongyang and had given $10,000 to Mr. Kim after returning to Seoul.

Prosecutors also quoted Mr. Suh as confessing that he personally reported to Mr. Kim about his secret trip in mid-April, two months earlier than Mr. Kim said party officials informed him of the trip.

That would mean Mr. Kim knew about Mr. Suh's trip before Mr. Suh turned himself in to authorities on June 25. Under South Korea's national security laws, failure to report such knowledge to authorities would be a crime.

Mr. Suh was indicted Saturday on multiple charges of espionage, which could bring him a sentence of up to life in prison.

Mr. Kim denied involvement and vowed to fight the Roh government.

"I could not help laughing to hear such a preposterous story," he told supporters. "Even a cow would laugh to hear that I received money from Representative Suh, who was so poor and begged for money from everyone."

Mr. Kim, who ran for president in 1971 and 1987, was questioned by government investigators last week. After the 22-hour interrogation, Mr. Kim said he had been cleared of all allegations, but officials said their inquiry was incomplete and would continue.

Mr. Kim argued Sunday that the new charges against him were aimed at turning the tide of a by-election set for Friday in the southwest Yongdungpo district, in which his party's candidate is a frontrunner.

A Violent Weekend For Intifada: 6 Die

Reuters

JERUSALEM — Israeli troops shot and killed two Arab children, and Palestinian activists killed four suspected collaborators in a weekend of violence in the Israeli-occupied territories.

In the Israeli-occupied Gaza Strip, troops fired tear gas and shots in the air to disperse Palestinian workers demanding new identity cards to work in Israel, witnesses said. The troops arrested some Palestinians, the witnesses said.

An Arab hospital spokesman said that a 3-year-old girl died of gunshot wounds in the chest and arm during clashes at a refugee camp in the Gaza Strip.

A 13-year-old boy of the Gaza Strip died Sunday of wounds suffered in a clash with troops on Saturday.

Three of the suspected collaborators were killed in the Israeli-occupied West Bank city of Nablus. The fourth was shot to death in the city of Gaza.

More than 70 Palestinians have been killed during the Arab uprising on suspicions of helping the Israeli authorities, selling land to Israelis or violating morality codes imposed by uprising activists.

The latest deaths raised the overall toll to at least 596 Arabs and 40 Jews since the revolt erupted in December 1987.

The Gaza workers have been caught in a tug-of-wills between Israeli authorities, who force them to carry the computerized cards, and enforcers of the uprising, who demand that they forfeit them rather than work in Israel.

Security officials said that the cards would be mandatory by Friday.

About 110,000 Palestinians from the occupied territories work in Israel.

U.S. Seeks Talks With PLO Over Fatah Manifesto

Reuters

WASHINGTON — The United States has asked for a meeting soon with the Palestine Liberation Organization to discuss a new political statement by El Fatah, the PLO's main component.

Anita Stockman, a State Department spokeswoman, said Saturday that the United States would ask the PLO to clarify El Fatah's political program, which the department has characterized as unhelpful.

The program, endorsed last week by the group's general conference in Tunis, calls for "intensifying and escalating armed action and all forms of struggle to eliminate the Zionist Israeli occupation of our occupied Palestinian land."

Israel has described the program as a step backward and a sign that El Fatah is committed to the destruction of Israel. PLO officials have played down the significance of the statement.

POLICY: *No Solution Imminent*

(Continued from page 1)

able to control the Iranian hardliners who are unrelenting in their hostility toward the United States and who can undermine Mr. Rafsanjani's influence with the Lebanese Shiite groups holding the hostages.

In short, the officials emphasize, the power struggle between those who want no deviation from the fierce anti-U.S. attitudes of the late Ayatollah Ruhollah Khomeini and Mr. Rafsanjani's relatively pragmatic faction is far from resolved.

And while it goes on, Mr. Rafsanjani apparently feels constrained to protect his flanks by communicating with Washington only through the kind of trial balloons that at one point caused President George Bush to complain, "Regrettably, we're dealing with less than a full deck when it comes to information."

The difficulties that this poses for intelligent U.S. policy decisions was underscored by the situation's standing at the end of last week.

On Thursday came the report in the Tehran Times, reportedly close to Foreign Ministry thinking, suggesting that the Pakistani foreign minister, Sahabzada Yaqub Khan, might be an appropriate mediator.

Then, on Friday, Shiekh Mohammed Hussein Fadlallah, a Shiite cleric widely believed to be the leader of Lebanese radical forces allied with Iran, offered to seek the hostages' release if the West pressured Israel to free Shiite and Palestinian prisoners.

U.S. officials characterized both reports as "interesting" and expressed willingness to hear more.

"It's a long process," Mr. Fitzwater said, "and we need to be patient and let the discussion flow back and forth."

At the same time, though, the administration started sending signals that its patience was wearing thin at what one official called "Tehran's insistence on trying to do everything with smoke and mirrors."

Senior U.S. officials, who earlier had emphasized that they were using every available third-party channel in an effort to obtain elaboration on Iranian thinking, said privately that there had been no real movement for several days and that communication with Iran was temporarily in stasis.

BEIRUT: *Major Ground Fighting*

(Continued from page 1)

will not fall," a Christian military official was quoted by the Voice of Lebanon radio as having said. A Christian station quoted the official as having added that the attack had been carried out by 300 Syrian, Palestinian and Druze combatants.

The escalation came as France began a diplomatic initiative to bring peace to Lebanon.

A special French envoy, François Cher, arrived in Damascus and met with Foreign Minister Farouk Shara, a state-run Damascus radio station monitored in Beirut reported. President François Mitterrand has demanded an end to Syrian shelling of Christian districts, but the Syrians have indicated that they are unlikely to back down.

Mr. Shara said it was General Aoun who had reneged on an Arab proposal for a cease-fire and had persisted in pursuing a military option.

The government-controlled newspapers in Damascus in effect dismissed the French initiative Sunday. The daily newspaper Athawra, which was quoted by Damascus radio, said that "overseas attempts will not resolve the Lebanese crisis" and insisted that the only solution was the removal from office of General Aoun.

Syria has refused to negotiate with General Aoun, and he has pledged to drive the 40,000 Syrian troops out of Lebanon.

5 Dead and 12 Missing In Fire at Chinese Port

Reuters

BEIJING — Five persons were killed and 12 are missing in a huge fire at an oil depot at the eastern port of Qingdao, national television said Sunday.

The broadcast said that the fires started when a lightning bolt ignited storage-tank pipelines. The fires were still not completely under control, the report said, adding that 86 persons were injured. The People's Daily newspaper said that helicopters and tons of dry ice were being used to fight the fire.

CHINA : *Scholars to the Fields*

(Continued from page 1)

the policy initially had been agreed upon in 1984 but was never implemented, and would apply to students who had graduated from college in 1985 and in subsequent years.

About 1.8 million people have graduated from institutions of higher learning since 1985.

■ Normalization Urged

A senior Chinese official urged a return to normal relations with the United States in a meeting with Senator Warren B. Rudman, a New Hampshire Republican, Agence France-Presse reported Sunday from Beijing.

Wan Li, chairman of the National People's Congress Standing Committee, said that normalization would be in the interest of global peace, state-run Radio Beijing said.

Mr. Rudman, the highest-ranking U.S. official to come to China since the June 4 crackdown, was quoted as saying that most U.S. congressmen agreed on the need to develop China-U.S. ties, despite their anger over the crackdown.

The Bush administration suspended arms sales to China and led a campaign to block loans from international lending institutions. It also suspended high-level visits to China, but observers said that as a senator, Mr. Rudman would have been exempt from that sanction.

He came to China as a guest of the Chinese Institute of Foreign Relations.

■ Purge Continuing

Beijing sources say Culture Minister Wang Meng and two vice ministers will be replaced in a continuing purge of liberals in the cultural field, United Press International reported Sunday. They said the decisions will be made public at the National People's Congress, China's nominal parliament, late this month.

The two vice ministers are Ying Ruocheng and Wu Qianguang. Mr. Ying, who played the prison warden in the Oscar-winning film "The Last Emperor," has come under attack for his part in the film and because he arranged for parts of the movie to be filmed in the Forbidden City, which some of China's older leaders opposed.

The sources said Mr. Wang, a prominent novelist, was accused of allowing Western influences to spread and failing to uphold the concept of "art for the masses."

HOSTAGE: *Sheikh Says 2 Died*

(Continued from page 1)

ation was conceived and executed primarily as a way of setting up an exchange for the two soldiers, Yossi Fink and Rahamin Alsheikh, and the airman, Ron Arad, whose plane was shot down over Lebanon in October 1986.

Since Sheikh Obeid's capture, Israel has said that it suspects that the cleric was the chief of Hezbollah in southern Lebanon and oversaw the abduction of the two soldiers in February 1986.

On Sunday, military spokesmen did not deny the report of the two soldiers' deaths but said that Israel would continue to consider its prisoners to be alive unless it received documentary proof from an official source, such as the Red Cross.

"We don't want to have a public debate about this delicate issue," an army spokesman said. He added, "From time to time there are stories and pieces of information concerning Israeli prisoners of war published in Arab media and Western media. We have to see these pieces of information as part of the psychological warfare carried on nowadays."

Israeli observers said that reports of the soldiers' deaths, which first appeared Sunday in the London-based Sunday Times, may undermine the position of Israel in the hostage-bargaining process now under way. Last week, Hezbollah offered to free one of the eight U.S. hostages in Lebanon, Joseph J. Cicippio, in exchange for Shiite and Palestinian prisoners in Israel but said that the Israeli prisoners could not be freed.

Defense Minister Yitzhak Rabin replied that Israel would make no exchange that excluded its three soldiers and that Hezbollah should provide evidence to the Red Cross on the condition of the Western and Israeli hostages as a first step in any negotiations.

Israeli commentators say that if the two soldiers are considered dead, the government could face more pressure from the United States to agree to a bargain involving only U.S. or Western hostages and, at the same time, have little to offer Israelis to compensate for the release of prisoners who have been involved in terrorist acts or the Arab uprising in the Israeli-occupied territories.

Senior military officials have said that following the disappearance of the two soldiers, Israel had failed to find Lebanese contacts who could provide reliable information on their condition and bargain for their release. The officials said that the seeming dead end in intelligence and quiet diplomacy prompted the more drastic step of capturing Sheikh Obeid.

But the Israeli officials confirmed Sunday that at least one of the two soldiers was known to have been wounded during the incident that led to his abduction. The officials said that there had been speculation that only one of the soldiers was alive. Sheikh Obeid told his captors that both soldiers died of wounds shortly after their capture.

But one official said that Israel could not publicly concede the soldiers' deaths as long as definitive proof was not provided. Otherwise, the official said, the government would risk sealing the fate of the soldiers in the event they were still alive.

Sheikh Obeid's account marks the second time that the cleric has been reported by Israeli officials as providing information that undermines the rationale of the military in seizing him. Two weeks ago, Sheikh Obeid was quoted as saying that he believed Colonel Higgins was alive at the time of the cleric's abduction. But Israel said that Colonel Higgins was not executed at the time stated by his captors but rather many months earlier.

MUSIC: *Moscow Rocks at Concerts*

(Continued from page 1)

today," he said "is for the East to meet the West and kick some. . . ." — never mind.

The financing of the show, as explained by the chief accountant, Bruce Kolbremer, is a complex carom shot aimed at putting millions of dollars and rubles into various charitable and commercial side pockets while generating priceless good will for the Soviet Union and for the musicians.

The big money, an anticipated gross of $6 million to $10 million, was advanced by U.S. companies that will market a record album, a television documentary and pay-cable broadcasts in the West.

Whatever is left after production costs — already more than $3 million and growing — is to go to the Make a Difference Foundation, started last year by Mr. McGhee's lawyer, Joseph B. Cheshire, to promote anti-drug messages.

Mr. McGhee said his sponsorship of anti-drug concerts is a personal commitment and a condition of his 1987 probation for what Mr. Cheshire said was "a very peripheral role" in a marijuana-importing scheme.

Mr. McGhee said he hoped the event would help dispel the reputation of his clients as "savages with cash."

"Tipper Gore and everybody else said Motley Crue and Ozzy Osbourne were these satanic cult bands," Mr. McGhee said. "We want to show the world how concerned they are."

Mrs. Gore is a prominent crusader against what she considers offensive rock lyrics. Mr. Osbourne, a 20-year veteran of heavy metal, is perhaps less remembered for his lyrics than for biting the head off a live bat during one of his concerts.

On the Soviet side, the ruble profits from sales of tickets and T-shirts are to be turned over to the peace committee, which holds the state franchise for promotion of officially sanctioned good works. It has promised to channel the money into temperance programs.

Other beneficiaries include Soviet television, which gets free broadcast rights; the state recording monopoly, Melodiya, which plans to peddle a concert record here, and an array of concessionaires, ticket scalpers and middlemen.

Heavy metal is not new to the Soviet Union. Bon Jovi and Motley Crue have a large following from bootleg cassettes. Metal rock videos are sometimes featured on late-night television, and many Soviet bands imitate the genre. Three Soviet bands shared the bill.

But the authorities have never tolerated an invasion on the scale of this two-day event, let alone welcomed hard rockers as diplomats.

Lenin Stadium on Saturday, however, was a display of heavily policed decorum. Clean-cut young people predominated in the crowd of 80,000, and except for the elite who bought pricier tickets to dance down on the soccer field, the fans never reached the frenzy of a comparable U.S. concert.

The show was repeated Sunday.

Mr. McGhee, trying to stay ahead of the impact curve, is already contemplating his next venue: Beijing in 1991.

"We already know you can fit a million people in Tiananmen Square," he said. "Probably more if you take the tanks out."

TROOPS: *South Korea Pullout?*

(Continued from page 1)

gestion that forces in South Korea could be reduced.

But now, Secretary of Defense Dick Cheney has said that with President George Bush's proposal that 30,000 troops be withdrawn from Europe, it was possible that "such a proposal would ultimately be developed" in South Korea.

The Defense Department has begun a review of the U.S. military position in Asia, particularly focusing on South Korea, and Congress has generated new pressure to reduce U.S. forces in that country.

■ Malaysia Backs U.S. Bases

Keith Richburg of The Washington Post reported from Kuala Lumpur, Malaysia:

The prime minister of Malaysia has supported the continued U.S. military presence in the Philippines, in what was seen as an important political endorsement from a country in the region.

Prime Minister Mahathir bin Mohamad said it would be premature for the United States to consider withdrawing from the two bases it operates in the Philippines.

He said this was true despite an apparent reduction in regional tensions brought on by heightened prospects of a Cambodian settlement and new peace overtures from the Soviet Union.

Mr. Mahathir said any reduction of the U.S. military presence in the region should come gradually and in response to specific steps by Moscow, such as the withdrawal of Soviet military forces from Cam Ranh Bay in Vietnam.

"If there is going to be a reduction, there must be a reduction all around," he said. "But now is not the time to talk about evacuating the bases. Not yet, anyway."

Mr. Mahathir, who was interviewed last week, said that the Soviet withdrawal from Afghanistan earlier this year has persuaded him that President Mikhail S. Gorbachev was sincere in his stated desire for improved relations with the noncommunist countries of Southeast Asia.

Bomb Damages Athens Villa

Reuters

ATHENS — A bomb exploded Saturday in the suburban villa of a shipping and media tycoon, Minos Kyriakou, causing extensive damage but no injuries, the police said.

STRIKE: *Azerbaijani Front Seeks More Autonomy*

(Continued from page 1)

region of Nagorno-Karabakh and the release of those arrested in demonstrations demanding that the largely Armenian-populated territory remain in Azerbaijan.

Groups such as the Popular Front have sprung up in many of the 15 Soviet republics in an effort to push local demands for autonomy. They have become especially strong in the Baltic republics.

The Azerbaijanis, like their protesting counterparts in the Baltic republics, Georgia and the country's coalfields, want greater local control.

Despite the large turnout and defiant chants of "strike, strike," the latest demonstration, the third in as many Saturdays, passed without incident.

There was no sign of Interior Ministry troops, despite emergency rule imposed last autumn in Baku and several other areas of Azerbaijan. The rules outlawed mass meetings in an attempt to prevent clashes with Armenians over Nagorno-Karabakh.

Protesters hoisted the flag from Azerbaijan's brief spell as an independent republic from 1918-1920 and waved banners backing the front and demanding control over Nagorno-Karabakh, which has been part of Azerbaijan since 1923.

Meanwhile, striking Russian workers in Estonia pledged Saturday to continue their protest action against a new local voting law.

■ Hitler Pact Published

For the first time, a Soviet newspaper published the text of a secret 1939 protocol between Hitler and Stalin for the division of eastern Europe, Agence France-Presse reported from Moscow.

The weekly Argumenty i Facty reproduced copies of microfilmed documents, held by the West German Foreign Ministry, which led to the partition of Poland and the establishment of German and Soviet zones of influence in the Baltic region.

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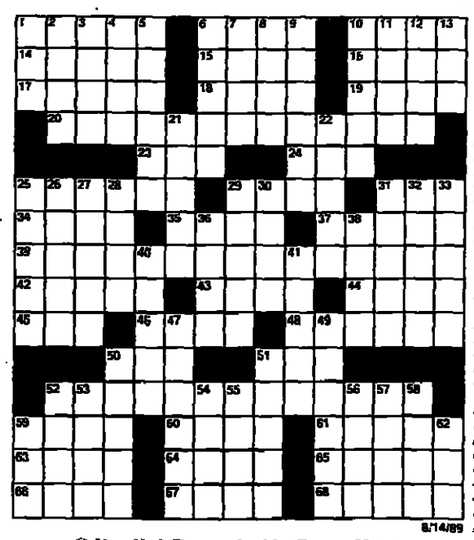
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ACROSS

1 Sniping
6 *Judicious*
10 Follower of garage or white
14 Partner of kicking
15 Bosc
16 Washington's *bills*
17 Baffling *question*
18 "Damn Yankees" role
19 Optical-instrument part
20 Home of some Bulldogs
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41 A neighbor of British Columbia
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52 Saxophone type
53 Oz dog
54 *Oriental sauce*
55 Jane or Zane
56 Author Vidal
57 Lemmon's girl in a 1963 film
58 Wet
59 Basle
62 Vocalized pauses



8/14/89

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Solution to Friday's Puzzle



Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

Aug. 10

Dollar Straights

Issuer	Con	Mat	Price	Yld Mat	Spd Tsry
Far East					
Toyota Motor	8	91	100⅛	6.87	+76
Toyota Motor	8	91	100⅛	6.98	+77
Dai-Ichi Fin	8¼	91	100⅜	7.03	+83
Toyota Motor	8¼	91	100⅜	6.97	+76
Toyota Motor	10¼	91	102	6.93	+76
Toyota Motor	8¾	91	100⅝	6.82	+74
Dkb Asia	8¾	91	100⅝	6.86	+65
LTCB	8	91	100⅜	6.88	+79
Sumit Trust 2	7¾	91	99⅞	6.88	+79
Nip Credit	7½	91	99⅛	6.93	+158
Toyota Motor	7½	92	100⅛	6.95	+158
Ind Bk Jap	7½	92	100⅛	6.95	+158
Mitsub Cor	7¾	92	96	9.17	+164
Toyota Motor	7¾	92	99⅝	6.91	+158
Sumit Bank	7½	92	99⅜	6.96	+156
Panasonic	9	92	105⅝	6.74	+156
Dai-Ichi Kb	9¾	92	104⅝	6.86	+156
Ibj Finance	9¾	92	101⅝	6.96	+156
Sumit Bank	9¾	92	101⅝	6.96	+156
LTCB	7½	92	99⅜	6.96	+156
Metro Tokyo	9½	92	100⅝	6.89	+156
I B J Fin	9¾	92	101⅛	6.90	+156
Nip Credit	9¾	92	101⅛	6.97	+156
LTCB	9¾	92	101⅛	6.96	+156
Ind Bk Jap	10	92	101⅝	6.95	+156
LTCB	8	92	99⅝	6.95	+156
Nip Credit	10¼	92	102⅜	6.95	+156
LTCB	7¾	92	99⅛	6.95	+156
LTCB	8¼	92	100⅜	6.96	+156
LTCB	8¾	92	101⅜	6.95	+156
Metro Tokyo	9¾	92	101⅜	6.95	+156
Ind Bk Jap	9	92	101⅛	6.94	+156
Nip Credit	10¼	92	101⅝	6.94	+156
Osaka Prefect	9¾	92	102⅛	6.91	+156
Tokyo Elp	9¾	92	102⅛	6.91	+156
NCB	9¾	92	102⅛	6.91	+156
Dkb Asia 2	9¾	92	102⅛	6.91	+156
Jap Dev Bk	9¾	92	102⅛	6.91	+156
Full Intl Fin	9¾	92	102⅛	6.91	+156
Sumit Bank	9¾	92	101⅝	6.91	+156
Bk Tokyo	8	92	99⅜	6.91	+156
Mitsub Fin 2	7¾	92	99⅛	6.91	+156
Tokyo Kobe 2	7¾	92	99⅛	6.91	+156
Jap Dev Bk	8	92	99⅜	6.91	+156
Metro Tokyo	9¾	92	101⅝	6.91	+156
Toyota Credit	10¼	92	102⅜	6.91	+156
Jap Dev Bk	9¾	92	101⅜	6.91	+156
Osaka Prefect	9¾	92	101⅝	6.91	+156
Osaka Prefect	10¼	92	102⅜	6.91	+156
Nip T&T	9¾	92	101⅝	6.91	+156
Jap Fin Corp	9¾	92	101⅝	6.91	+156
Nip T&T	9¾	92	101⅝	6.91	+156
Nip Credit	10¼	92	102⅜	6.91	+156
Jap Dev Bk	9¾	92	101⅝	6.91	+156
Nip Credit	10¼	92	102⅜	6.91	+156
Jap Dev Bk	9¾	92	101⅝	6.91	+156
Jap Highway	9¾	92	101⅝	6.91	+156
Jap Fin Corp	9¾	92	101⅝	6.91	+156
Kansai Elec P	10	92	102⅜	6.91	+156
Bk Tokyo	9¾	92	101⅝	6.91	+156
Jap Dev Bk	9¾	92	101⅝	6.91	+156
LTCB	9¾	92	101⅝	6.91	+156
Tokyo El P	9¾	92	101⅝	6.91	+156
LTCB	9¾	92	101⅝	6.91	+156
Metro Tokyo	8¼	92	99⅝	6.91	+156
LTCB	8	92	99⅜	6.91	+156
Ind Bk Jap	7¾	92	99⅛	6.91	+156
Nip T&T	9¾	92	101⅝	6.91	+156
Imp Bk Jap	9¾	92	101⅝	6.91	+156
Exp Imp Jap	9¾	92	101⅝	6.91	+156
Jap Fin Corp	9¾	92	101⅝	6.91	+156
Nip T&T	9¾	92	101⅝	6.91	+156
Kobe City	9¾	92	100⅜	6.91	+156
Exp Imp Jap	9¾	92	101⅝	6.91	+156
United States					
AT&T	9	16	95⅞	9.42	+108
Aetna Life	9½	95	100⅛	8.79	+58
Aetna Life	7¼	16	99⅝	8.88	+58
Amer Genl	7¾	91	99⅞	8.88	+58
Amer Genl	9	94	99⅞	9.02	+58
Amer Genl	9¾	95	102¾	9.11	+58
Amer Genl	8½	98	99⅜	9.24	+58
Anher-Busch	9¾	93	100⅜	8.97	+59
Bell South Cor	9¼	93	101⅜	8.88	+57
Bellowest	10¼	92	102⅜	9.17	+160
Bellowest	7¾	93	99⅜	9.15	+158
Campbell Soup	8¾	93	101⅜	9.21	+158
Campbell Soup	9¾	93	101⅞	8.76	+53
Campbell Soup	10¼	95	103¾	9.32	+114
Campbell Soup	7½	98	89¾	9.22	+102
Chevron	10¼	91	101½	9.21	+98
Chevron Corp	8¼	98	96⅜	9.00	+98
Coca Cola	9¼	92	99⅝	9.18	+98
Coca Cola	8¾	92	100⅜	8.80	+74
Dupont	10¼	92	102⅝	8.60	+74
Dupont	9	94	100½	8.99	+72
Eli Lilly	10¼	92	102¾	8.87	+74
Euro Ctd Crd	9¾	94	101⅛	8.96	+74
Exxon	7¾	91	101⅜	8.76	+74
Ford Motor Cr	8¾	90	99⅜	9.02	+74
Ford Motor Cr	7¾	91	97	9.09	+74
Ford Motor Cr	8	91	98⅜	9.08	+74
Ford Motor Cr	9¾	91	99⅛	9.09	+74
Ford Motor Cr	10¼	91	102⅜	9.01	+74
Ford Motor Cr	9¾	92	100⅜	8.96	+74
Ford Motor Cr	10	92	102⅜	8.95	+74
Ford Motor Co	11¾	92	106⅜	8.96	+74
Ford Motor Cr	9½	93	101½	9.02	+74
Ford Motor Cr	10	94	102⅜	8.95	+74
Ford Motor Cr	12	95	106	9.02	+112
Ford Motor Cr	11¾	96	107¾	9.04	+74
Ford Motor Cr	11	96	105¾	8.92	+74
GEC	10½	91	102⅜	8.93	+74
GEC	9¾	98	102.050	8.95	+73
Gen Elec Cap	7¾	91	98⅛	8.97	+76
Gen Elec Cap	8¼	91	100⅛	8.97	+76
Gen Elec Cap	8	93	97⅜	8.88	+76
Gen Elec Cr Cor	8¼	93	98¾	9.14	+77
Gen Elec Cap	9	93	102½	9.19	+77
Gen Elec Cap	9¼	95	101⅜	9.01	+77
Gen Elec Cap	9½	95	102⅜	9.02	+77
Gen Re Corp	9½	92	101¾	9.06	+77
General Motors	9½	92	100½	8.91	+73
GMAC	7¾	91	97¾	9.08	+67
GMAC	8¾	91	99⅛	9.08	+67
GMAC	8¾	91	99⅜	9.08	+68
GMAC	10	91	101⅜	9.08	+68
GMAC	7¾	92	99⅜	9.04	+68
GMAC	10¼	92	101⅛	9.08	+68
GMAC	10	92	101	9.20	+102
GMAC	10¼	92	101¼	9.08	+102
GMAC	8½	93	98½	8.96	+79
GMAC	9¾	93	102⅜	8.95	+79
GMAC	8	94	96⅜	9.02	+70
GMAC	10	94	103½	9.04	+67
GMAC	9	95	99½	9.08	+66
GMAC	9¾	95	101⅛	8.85	+66
GMAC	9¾	95	101⅛	8.85	+66
GMAC Canada	9¼	95	100⅛	8.85	+66
IBM	8¾	91	99⅜	8.81	+60
IBM	8¾	91	100.050	8.83	+61
IBM	9	92	101	8.83	+60
IBM	9	92	100⅜	8.66	+58
IBM	9½	92	101⅜	8.69	+58
IBM	10	92	102⅜	8.73	+58
IBM	10¼	95	102⅜	9.11	+93
IBM Cred	7¾	91	98¼	8.93	+67
IBM Int Fin	8¾	92	100	8.68	+61
Kellogg	9¼	91	100⅛	8.84	+63
Kellogg	9½	92	100⅜	8.91	+63
Liberty Mut	9½	92	100⅜	8.91	+63
Liberty Mut	8½	96	98¼	8.85	+63
Lincoln Nat	9¾	95	102½	9.19	+99
Metlife	7¾	98	94	8.82	+69
Merry Fund	9¾	92	99¾	9.07	+68
Morgan Gty	7¼	91	96⅜	8.98	+70
Morgan J P	10⅜	92	103⅜	8.92	+74
New England	11¾	95	108⅜	9.22	+115
Pessico	7¾	93	94½	9.16	+99
Pessico	8	93	96½	9.16	+99
Prudential	7¾	91	98⅜	8.84	+63
Prudential	8	91	98	8.84	+63
Prudential	12¼	95	109.050	9.38	+121
S & S Fin Intl	10¼	94	104⅝	9.38	+108
Utd Tech Corp	11¾	93	106⅜	9.13	+93
Utd Tech Corp	7¾	95	93⅜	9.38	+120
Utd Tech Fin	10¾	95	103⅜	9.38	+120
Warner Lamb	8½	96	96½	8.90	+69
Xerox	10	93	102⅜	9.22	+165

Issuer	Con	Mat	Price	Yld Mat	Spd Tsry
Combined Uss Euros pre 1994					
Austri Control	10	91	101¼	885	+16
BFCE	7¼	91	97	8.81	+16
Belgium 2	7½	91	97⅜	8.85	+16
Belgium 2	8¼	91	99⅜	8.77	+16
Belgium 2	8½	91	99⅝	8.53	+16
CCCE	7¾	91	98⅜	8.77	+16
CEPME	7¾	91	97¾	8.79	+16
CNA	7¾	91	97¾	8.77	+16
CNT	10¼	91	102	8.91	+16
Cr Foncier X/w	10¾	91	103¾	8.77	+16
Cr Lyonnais	9	91	97⅜	8.88	+16
Cr Natl	7¼	91	97⅜	8.77	+16
Denmark	7¾	91	98⅜	8.77	+16
Denmark	8	91	98⅜	8.77	+16
Denmark	8¼	91	99⅜	8.77	+16
EIB	7¾	91	98⅜	8.77	+16
Expartfinans	7¾	91	98⅜	8.77	+16
Fin Export Cr	9½	91	101¾	8.77	+16
Fin Export	10¾	91	103⅜	8.77	+16
Italy	7	91	96¾	8.77	+16
Italy	8¾	91	100	8.77	+16
New Zealand	7½	91	97⅜	8.77	+16
New Zealand	7½	91	97⅜	8.77	+16
Norway	7¾	91	98⅜	8.77	+16
Queensland	8¼	91	99⅜	8.77	+16
SEK	7½	91	97⅜	8.77	+16
SEK	7¾	91	98⅜	8.77	+16
SEK	9	92	101¼	8.77	+16
SNCF	11½	93	108	8.77	+16
St Bk Sth Aust	9¼	93	100¾	8.96	+76
St Bk Victoria	8½	93	98⅜	8.96	+76
Sth Aust Govt	8¾	93	99¾	8.96	+76
World Bk	12	93	111¼	8.96	+76
World Bk	9	93	101¼	8.54	+76
Combined Euros post 1933					
Cr Foncier	7½	94	95⅜	8.65	+76
SNCF	7¼	94	94⅜	8.74	+77
CNCA	7½	94	95	8.87	+76
Credit Fonc	7¾	94	95⅝	8.87	+76
Stadtwerke	7¾	94	95	8.88	+77
SEK	7¾	94	95⅜	8.88	+77
Qest Postpce	10½	94	106⅝	8.75	+88
EIB	12⅜	94	115⅛	8.86	+77
Austr Control	9¼	94	102¾	8.82	+76
Electrolux	9¼	94	101	8.84	+165
Sweden	8¼	94	100⅛	8.84	+77
Algemn Bk Nl	9¼	94	100⅝	8.89	+72
BNP	8¾	94	99.050	8.87	+76
BFCE	8¾	94	99⅝	8.87	+76
Denmark	8¼	94	99⅜	8.73	+76
Int Bank Instl	8¾	94	99⅝	8.85	+76
World Bk	12¾	94	116½	8.69	+76
World Bk	12¾	94	116½	8.69	+76
Austria	11¼	95	109⅝	8.69	+76
CNE	11¼	95	112¼	8.81	+76
CCCE	9¾	95	102⅝	8.71	+76
Brit Telecom	8¾	95	100⅝	8.84	+76
EIB	12	95	114⅜	8.69	+76
Australia	11	95	109¾	8.69	+76
Qantas	10¾	95	106⅝	8.69	+76
World Bk	10¾	95	106⅝	8.69	+76
Queensland	10¼	95	105⅜	8.69	+76
IADB	10¾	95	107⅜	8.69	+76
EDF	9¾	95	102⅝	8.69	+76
Australia	11¼	95	111¾	8.93	+73
Cr Foncier	9¾	95	102⅝	8.72	+76
Stefadi	9¾	95	102⅝	8.72	+76
Fin Expert Cr	9¾	95	102⅝	8.72	+76
Prov Alberta	9¾	95	102⅝	8.66	+46
Italy	9¾	95	102⅝	8.72	+76
Canada	10	95	103⅜	8.72	+76
BFCE	9¼	95	102⅜	8.71	+76
IADB	9¾	95	102⅝	8.71	+76
ECSC	9¾	95	102⅝	8.86	+76
Electrolux	10	95	103⅜	8.72	+76
Council Europe	9¾	95	102⅝	8.72	+76
Canada	9	96	102⅜	8.84	+76
Italy	9¾	96	102⅝	8.69	+76
BP America	10	96	104¼	8.89	+76
Eurofima	9¼	96	102⅜	8.89	+76
Sweden	8¾	96	100⅝	8.89	+76
Qantas	8¾	96	100⅝	8.89	+76
World Bk	9¾	96	103¼	8.89	+76
Petro-Canada	9¾	96	103⅛	8.89	+76
Manitoba	7½	96	93	8.91	+78
CNCA	7¼	96	92⅜	8.88	+76
Finland	9	96	101½	8.89	+77
Quebec	9¾	96	104⅛	8.89	+77
SNCF	7¾	96	95¾	8.72	+76
Farm Credit	7¾	96	95⅝	8.72	+76
ESC	8¼	96	97⅜	8.87	+76
Austria	9¼	96	99⅜	8.84	+76
EIB	7¾	96	95½	8.84	+76
Cr Lyonnais	9	96	100⅜	8.92	+78
ESC	8¾	96	99⅜	8.88	+76
Elect Corp N Z	9¾	96	102⅜	8.88	+76
Council Europe	9¾	96	102⅝	8.71	+76
BFCE	7¾	96	95⅝	8.88	+76
Nwst Finance	8	96	95⅝	8.88	+76
IADB	7¾	96	94⅝	8.77	+165
Brit Telecom	7¾	96	94⅝	8.69	+76
Victoria P	8¾	96	97	8.95	+77
ECSC FA	8¾	96	97⅜	8.77	+76
Expartfin	7¾	96	95¼	8.77	+76
Belgium	8	97	95½	8.83	+61
Austria	7¾	97	95¼	8.83	+61
BFCE	7¾	97	95½	8.83	+61
Gel Co	7¾	97	93⅝	8.83	+61
World Bk	7¾	97	95⅝	8.59	+76
New Zealand	8	97	96¼	8.84	+74

Issuer	Con	Mat	Price	Yld Mat	Spd Tsry
EIB	10	97	107	8.67	+76
World Bk	9	97	101¼	8.86	+76
EIB	9⅜	97	103⅜	8.78	+76
Sweden	9	98	103⅜	8.76	+76
EDF	9	98	103⅜	8.76	+76
Quebec Prov	9	98	103⅜	8.76	+76
Belgium	9⅜	98	104⅜	8.73	+76
EDC	9⅜	98	104⅜	8.73	+76
SNCF	9⅜	98	104⅜	8.73	+76
Quebec Hydro	9⅜	98	104⅜	8.73	+76
Brit Telecom	9⅜	98	104⅜	8.85	+151
World Bk	9⅜	98	104⅜	8.75	+151
Qantas	9⅜	98	103⅜	8.84	+151
World Bank	9⅜	98	104⅜	8.85	+151
Cr Foncier	9⅜	98	104⅜	8.85	+151
SAS	9⅜	98	103⅜	9.31	+186
BP America	9⅜	98	104	9.09	+186
EIB	9⅜	98	104⅜	8.85	+151
EDC	9⅜	98	104⅜	8.86	+151
Daimler-Benz	10	98	105⅜	9.06	+151
State Bk Nsw	10⅜	98	106⅜	9.06	+151
Dexia Bk	9⅜	98	103⅜	8.87	+151
SAS	9⅜	98	99.050	9.27	+186
Brit Telecom	9⅜	98	99⅜	8.85	+151
Austria	9⅜	98	99	8.75	+151
World Bk	9	98	101⅜	8.86	+151
Ferrovie Stato	9⅜	98	103⅜	8.78	+151

Dollar Zero Coupons

Issuer	Mat	Price	Yld Mat	Spd Tsry
Hiram Walker	n.a.	89	9¾	16.29	+181
Tsy Phy Con	n.a.	88	97	13.57	+159
Transamerica	n.a.	88	9¾	9.38	+159
Beneficial	n.a.	90	9¾	11.88	+159
GMAC Overs	n.a.	90	9⅝	10.96	+177
Du Pont Overs	n.a.	90	9⅝	9.99	+177
Pharmacia Fin	n.a.	90	9⅝	11.94	+177
Bond Brewing	n.a.	91	9⅝	10.08	+177
Sumit Fin	n.a.	91	9⅝	9.99	+177
Fiat	n.a.	91	9⅝	9.21	+177
Indust Kred Bk	n.a.	91	9⅝	9.98	+177
Bk Tokyo	n.a.	91	9⅝	9.99	+177
Transamerica	n.a.	91	9⅝	11.02	+280
Denmark	n.a.	91	9⅝	9.99	+177
GMAC Feb03	n.a.	92	9⅝	9.91	+178
Arco Fin	n.a.	92	9⅝	9.97	+178
Pepsico	n.a.	92	9⅝	9.97	+178
Beatrice Foods	n.a.	92	9⅝	9.96	+178
Xerox Credit	n.a.	92	9⅝	9.96	+178
Gen Ele Cr Int	n.a.	92	9⅝	9.96	+178
Sears	n.a.	92	9⅝	9.96	+178
Reynolds	n.a.	92	9⅝	11.26	+178
Gaz De Fra	n.a.	92	9⅝	9.96	+178
Bq Indosuez	n.a.	92	9⅝	9.81	+157
Cracker	n.a.	92	9⅝	9.83	+157
Baker	n.a.	92	9⅝	10.05	+213
Gulf Oil	n.a.	92	9⅝	9.84	+157
Campbell Soup	n.a.	92	9⅝	9.83	+110
B N P A/w	n.a.	92	9⅝	9.81	+157
B N P C/w	n.a.	92	9⅝	9.81	+157
Caterpillar	n.a.	92	9⅝	9.84	+157
GMAC Oct01	n.a.	92	9⅝	9.88	+176
IADB	n.a.	92	9⅝	10.02	+176
Gen Ele Cr Int	n.a.	93	9⅝	9.84	+166
I F F	n.a.	93	9⅝	9.84	+166
Ent Stn Con 93	n.a.	93	9⅝	9.84	+166
Sunbury	n.a.	93	9⅝	9.84	+166
Caterpillar	n.a.	94	9⅝	9.83	+165
Penney Jc	n.a.	94	9⅝	9.98	+152
Gaz De Fra	n.a.	94	9⅝	9.98	+152
Pepsico	n.a.	94	9⅝	9.13	+165
Gen Ele Cr Int	n.a.	94	9⅝	9.85	+167
S E K Mar	n.a.	94	9⅝	9.85	+167
Ic Indust	n.a.	94	9⅝	9.85	+167
Sears May27	n.a.	94	9⅝	9.85	+167
Philip Morris	n.a.	94	9⅝	9.85	+167
E D F	n.a.	94	9⅝	9.85	+167
N I B	n.a.	94	9⅝	9.85	+167
S E K Sep	n.a.	94	9⅝	9.85	+167
Expartfin	n.a.	94	9⅝	9.85	+167
Sth Aust Govt	n.a.	94	9⅝	9.51	+139
Dext Bk Fin	n.a.	95	9⅝	9.85	+167
Gen Ele Cr Int	n.a.	95	9⅝	9.85	+167
BP Capital	n.a.	95	9⅝	9.85	+167
Florida Fed	n.a.	95	9⅝	9.85	+167
Marubeni	n.a.	95	9⅝	9.99	+124
Austria	n.a.	95	9⅝	9.61	+167
Olympia York	n.a.	95	9⅝	10.14	+188
Gen Ele Cr Int	n.a.	96	9⅝	9.98	+172
I A D B	n.a.	96	9⅝	9.85	+157
I S E C Mar	n.a.	96	9⅝	9.85	+157
Amer Medic	n.a.	97	9⅝	10.14	+188
S B C Fin	n.a.	97	9⅝	9.85	+157
Sears Jul	n.a.	97	9⅝	9.85	+157
Denmark	n.a.	97	9⅝	9.85	+157
Prudential	n.a.	97	9⅝	9.85	+157
New England	n.a.	97	9⅝	9.85	+157
Victorian P	n.a.	97	9⅝	9.85	+157
Amer Hospitol	n.a.	98	9⅝	10.42	+224
Connect Mut	n.a.	98	9⅝	9.53	+124
Amer	n.a.	98	9⅝	9.85	+157
Rockefeller	n.a.	98	9⅝	9.85	+157
Siemens W/W	n.a.	98	9⅝	9.85	+157
Siemens X/w	n.a.	98	9⅝	9.85	+157
Tsy Phy Crps	n.a.	98	9⅝	9.85	+157
Amer Medic	n.a.	98	9⅝	9.85	+157
World Bk	n.a.	98	9⅝	9.85	+157
Amer Intl Gp	n.a.	98	9⅝	9.85	+157
Gen Mills	n.a.	98	9⅝	9.85	+157
Asian Dev Bk	n.a.	98	9⅝	9.85	+157
Exxon Cap	n.a.	98	9⅝	9.85	+157
First Fed	n.a.	98	9⅝	9.85	+157
Mutual Ben	n.a.	98	9⅝	9.85	+157
I A D B Jun	n.a.	98	9⅝	9.85	+157
I A D B Dec	n.a.	98	9⅝	9.85	+157
Centrust	n.a.	98	9⅝	9.85	+157
Middletown	n.a.	98	9⅝	9.85	+157
Gen Mills	n.a.	98	9⅝	9.85	+157
F N M A Bear	n.a.	98	9⅝	9.85	+157

Chemical Bank					
Chemical Ny 98	n.a.	98	9⅝	9.78	+162
Chemical Ny 91	n.a.	91	8⅞	9.54	+162
Chemical Ny 92	n.a.	92	9⅝	9.48	+162
Chemical Ny 93	n.a.	93	9⅝	9.42	+162
Chemical Ny 94	n.a.	94	9⅝	9.48	+162
Chemical Ny 95	n.a.	95	9⅝	9.49	+162
Chemical Ny 96	n.a.	96	9⅝	9.49	+162
Chemical Ny 97	n.a.	97	9⅝	9.41	+162
Chemical Ny 98	n.a.	98	9⅝	9.49	+162
Chemical Ny 99	n.a.	99	9⅝	9.78	+162
Chemical Ny 00	n.a.	00	9⅝	9.72	+162
Chemical Ny 01	n.a.	01	9⅝	9.77	+162
Chemical Ny 02	n.a.	02	9⅝	9.77	+162
Chemical Ny 03	n.a.	03	9⅝	9.89	+162

CCCE					
CCCE	n.a.	98	94	9.17	+88
CCCE	n.a.	91	89¼	9.86	+84
CCCE	n.a.	92	89¾	9.86	+84
CCCE	n.a.	93	92⅜	8.96	+78
CCCE	n.a.	94	87⅜	9.17	+88
CCCE	n.a.	97	91	9.33	+88
CCCE	n.a.	98	89½	9.39	+88
CCCE	n.a.	99	87¾	9.32	+88
CCCE	n.a.	91	85¾	9.35	+84
CCCE	n.a.	92	85¾	9.35	+84
CCCE	n.a.	93	85¾	9.35	+84
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CCCE	n.a.	98	85¾	9.35	+84
CCCE	n.a.	99	85¾	9.35	+84
CCCE	n.a.	00	85¾	9.35	+84
CCCE	n.a.	01	85¾	9.35	+84
CCCE	n.a.	02	85¾	9.35	+84
CCCE	n.a.	03	85¾	9.35	+84
CCCE Principle	n.a.	98	17¾	9.33	+88
CCCE Int Cert	n.a.	99	17¾	9.33	+88

DM Straights

Issuer	Con	Mat	Price	Yld Mat	Cur Yld
Europeans					
ADT	6½	95	99½	7.64	
AKZO	6½	93	99⅝	6.63	
Abbey Natl	6¼	93	99⅜	6.56	
Aerosurf Paris	6¼	93	101½	6.62	
Amro Bank	5¾	93	99⅜	6.47	
Amro Bank	6¼	93	99⅝	7.10	
Arbed	6½	91	101¼	7.10	
Andelsbanken	6	93	99⅜	7.10	
Asfinag	6	93	99⅜	7.10	
Asfinag	6¼	93	99⅝	7.10	
Asst Fin	6¼	93	99⅝	7.10	
Aust Dankrt	6	93	99⅜	7.10	
Austr Control	7¾	91	104⅜	7.30	
Austr Control	7

A Monthly Report for the International Investor

Herald Tribune INTERNATIONAL

Monday, August 14, 1989

PERSONAL INVESTING

FOCUS

Fee Debate At U.K. Funds

MOVES BY British unit trusts to raise their charges are attracting unwelcome publicity and even outright opposition from fund holders.

The management companies say fee increases are needed to offset a persistent sales slump and to cover rising bookkeeping and regulatory expenses. Cynics counter that the hardship case presented by the unit trusts is overstated and that fee increases are unnecessary. If fund companies find their profits shrinking, say the skeptics, it is because there are too many funds.

So far this year, several fund management groups have raised initial sales charges — the amount deducted from the investment — to 6 percent from 5 percent, and annual management fees to 1.5 percent of assets annually from 1 percent.

Although the number of investors actively protesting higher costs remains small, industry professionals acknowledge that any opposition is worrisome. Since January, a 25-percent rise on the London stock market has done much to distract investors from the bite of higher fees. But if the market were to stagnate or fall, increased costs could well become an issue of primary concern for investors.

Unit trust managers are already feeling the pressure, Alan Torevell, managing director of Manchester-based financial advisers Torevell Mahon Granville, whose clients have over £100 million in unit trust investments, has been gathering proxy votes to challenge the increases. Management groups typically need the approval of 75 percent of holders to push the changes through.

He succeeded in blocking proposals by Equity & Law to raise charges on one of its funds and forced Mercury Fund Managers into a recount of votes before the proposal was finally passed. In the Equity & Law case, the management company was seeking to raise the maximum authorized fee to 2 percent annually from 1 percent. The management company levy is currently below the maximum, at 0.75 percent.

"I believe that a management fee of 1 percent on a fund of £100 million is quite sufficient to run that fund properly," says Mr. Torevell.

John Langley, an Equity & Law spokesman, blames some of the resistance on unitholder confusion. "It's important to distinguish between the maximum authorized charge and the fee actually levied," he explains. Just because a fund ask holders to authorize a higher ceiling on management fees does not mean that the stiffer charges will be imposed right away.

Fund companies have reason to pause before adopting higher rates. They want to raise management fees to earn more on their shrunken assets, pay for higher regulatory costs, and bankroll promotion campaigns to recruit more investors. But higher fees could discourage new investment and hurt long-term performance.

IN THE more competitive environment, a few fund companies have bucked the trend and pursued a low-fee strategy. One of the smaller unit trust managers, Lazard Brothers, abolished its 5-percent initial sales charge in January and intends to stick with a 1-percent management fee. But Lazard tries to make up for the low fees by requiring higher-than-usual minimum investments.

Philip Stevens, a director of Lazard Brothers, says that sales have actually increased since the abolition of the sales fee. And M & G, one of the few major groups not to raise fees this year, reports a substantial increase in market share.

Some industry followers say the solution to the fund companies' profit squeeze is not higher fees but fewer funds. Around 1,200 trusts operate under the management of about 160 companies. Unit Trust Association figures released last month showed net new investment in funds in the first six months of this year was double the net sales in 1988's first half. But net sales remain well below the levels before the October 1987 crash.

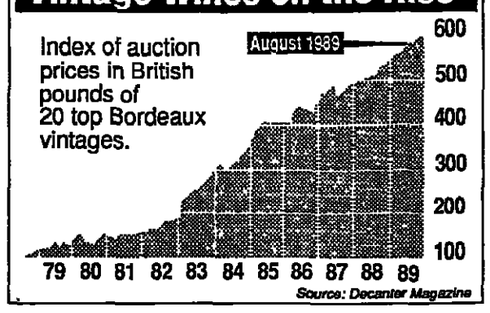
Given the competition for investors, fund companies may hold back from imposing the newly approved charges. Mr. Langley of Equity & Law notes that around 50 percent of the unit trust groups have yet to alter their trust deeds. Perhaps recognizing that a row over increased costs could easily stir up investors, the industry is not openly hostile to Mr. Torevell's efforts. "It's actually refreshing to see Mr. Torevell standing up for his unitholders," says Mr. Langley. □

Nigel Adam



Harvesting grapes at Haut Brion, one of the "first growths" of Bordeaux.

Vintage Wines on the Rise



First Growth Prices

Auction prices of recent vintage years, 12 bottles per case, prices in pounds.

	1961	70	78	82
Lafite	2,420	717	550	600
Latour	2,300	880	616	550
Margaux	1,925	528	500	506
Mouton Rothschild	2,530	825	460	770
Haut Brion	2,035	594	418	420

Source: Decanter Magazine

International Herald Tribune

The Vibrant Market in Vintage Wine

By Jacques Neher

Bordeaux

Auction and futures prices are up as American buyers replenish their cellars.

AS TEMPERATURES soared into the 90s in late June, the fans inside the giant tent housing Vinexpo only blew more hot air on the 7,000 perspiring visitors who came to taste and buy wine at Bordeaux's annual wine industry trade show.

Despite their physical discomfort, Bordeaux's growers of investment-grade wines were in great spirits. The dry, hot weather threatening much of France's agriculture this year has given promise to a fine 1989 vintage. What's more, the growers were jubilant because the international market for fine wines has bounced back. "Futures" prices on the 1988 vintage, still in the barrel and auction prices for previous years are clearly on the upswing.

"Up until now — knock on wood — everything has been perfect," says Philippe Cottin, manager of Château Mouton-Rothschild, one of Bordeaux's five premier grand crus, or first growths.

The vines, able to draw nourishment through their deep root structures, have benefited from the dry conditions, flowering early and quickly during one week in mid-May.

Usually, flowering does not start until early June and may be staggered over several weeks. With a usual 100-day growing season after flowering, the vines should be ready for harvest — all at about the same time — in early September.

And even if it does not rain much until then, the grapes are likely to be of high quality for wine-making, even if not so plentiful, says Mr. Cottin. Only too much rain in August could harm the harvest.

"God is doing a good job so far," says Mr. Cottin.

A good 1989 would be the second good vintage in a row, and the ninth since 1978. Only the 1980, 1984 and 1987 vintages are regarded as below par. Experts say a strong 1989 would take some of the pressure off the 1988s, whose *en primeur*, or futures, prices have leaped since the château began to offer them to the trade in the spring.

The five first growths — Mouton-Rothschild, Lafite, Latour, Margaux and Haut Brion — opened their futures prices to the *négociant*, or broker, at around 180 francs a bottle, to be delivered two years later. The price was 20 francs above 1987's opening price and equal to the price for the excellent 1986 vintage.

But the increase in opening prices is only part of the story. By mid-July, Mouton-Rothschild was asking — and getting — 265 francs a bottle, or almost 50 percent more than it had three months earlier. At the same point two years ago, the château was pricing its 1986 output at 225 francs.

To the consumer and individual investor, the price is much higher. James King, sales director at Justerini & Brooks, a major London wine merchant, is offering futures on 1988 Mouton-Rothschild for £395 a 12-bottle case, or about 340 francs a bottle.

"The market is extremely buoyant," observes Colin Parnell, publisher of Decanter Magazine, a British wine monthly. Though buyers hesitated at first on the 1988 vintage, their enthusiasm grew during the spring tastings.

"Once buyers got to Bordeaux and tasted the '88s, they were quite surprised," he says. "It's a good wine."

Good, but not great, says Robert M. Parker Jr., the American wine writer whose newsletter commands a large following in the United States. He calls the 1988 vintage "only third or fourth vintage, trailing in quality the 1982s, 1986s, and, depending on how they evolve, perhaps the 1985s as well."

Though Mr. Parker counsels his American readers against purchasing futures on the 1988s, given the abundance of higher quality 1986s on the market, wine brokers say there has been a notable return of U.S. buyers to the market. Indeed, American buying has been a major factor behind the soaring prices.

"The U.S. is coming back into the game," affirms Peter Sichel, majority shareholder in Château Palmer and president of the Union des Grand Crus, an association of 120 top Bordeaux growers.

American buyers normally represent one of the biggest forces in the market, buying up about a quarter of the classified wines. But they abandoned the market in droves in the mid-1980s, kept away by the weak dollar and high asking prices for French wines. Adding to the pressure on the market was a plentiful supply of good wine.

But the dollar has come back in the past 18 months, from 5.3 francs in January 1988 to 6.3 francs last month. American wine enthusiasts also feel the need to replenish their stocks. Because good wine takes years to mature, they must buy now if they are to have anything special — and affordable — to offer up near the turn of the century. Strong demand for the 1988s is also coming from the French domestic market, as well as from West Germany, Belgium, the Netherlands, Switzerland and Japan, which, for the first time, has become active in the futures market.

The relative presence of foreign buyers has a big impact on the bottom line of the wine trade. While the average bottle of Bordeaux sold last year for 34 francs, the average bottle purchased by

Continued on Page 8

OTC Stocks: Learning The Rules of The Game

By Bruce Hager

New York

NEXT YEAR, Nasdaq, the U.S. over-the-counter market that boasts some the best-known names among American growth stocks, will audition for a bigger role on the international stage.

As many as 300 of the largest and most active over-the-counter shares will start trading on the Nasdaq system at 4 A.M. New York time, allowing London traders longer access to the market. Nasdaq, an acronym for National Association of Securities Dealers Automated Quotations, hopes the move will broaden investor interest in the 5,000 issues that trade on its electronic system. Nasdaq already calls itself the third-largest equity market in the world after Tokyo and New York, with an average 134.8 million shares traded daily.

But non-U.S. investors who venture into this market will soon find that trading in OTC stocks holds special risks for the uninitiated. A knowledge of the market is crucial to gauging when the expected returns from investing in OTC stocks are worth the risk and trading costs.

The last year OTC stocks enjoyed a clear edge over the blue-chips was in 1987. In 1988, the OTC performed broadly in line with the Dow Jones Industrials Average, but it has lagged a bit in the first half of this year, disappointing OTC enthusiasts. But many still believe that the smaller stocks on the OTC will surge again.

"I would say we're due. You can't predict the day it will happen, but the odds are strongly in our favor," says Richard F. Aste[illegible], president of the Meridian Fund in Larkspur, California, a mutual fund specializing in small to medium-sized companies.

Boosters of OTC stocks stress the difference between the price-earnings ratios of smaller companies and larger companies. Investors have historically been willing to pay prices for stocks of these fast-growing smaller companies equal to very high multiples of their annual earnings. In fact, the average P/Es of smaller stocks have in past years been sometimes been double that of the large, more mature companies.

But now the average P/E of OTC stocks stands at a scant 1.12 percent above the level of stocks in the Standard & Poor's 500 Index. Such historical discrepancies have typically presaged a rally in small stocks, say OTC followers.

Robert Flaherty, editor of the monthly O-T-C Review, believes it is time non-U.S. investors took note of these smaller issues. "The biggest mistake foreign investors make is they pay premiums to buy the large blue-chip companies because they

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BOURSES

Why Mexico's Market Rally Is on Hold

By David C. Lauchner

AS TENSE negotiators struggled toward an accord on Mexico's foreign debt this year, investors poured money in the country's stock market in anticipation of an agreement. Confident that Washington would push through a settlement, they drove share prices on Mexico's Bolsa de Valores 80 percent higher from March 1 through the first week of July.

But now that the ink is dry on the agreement, investors may have to wait awhile before they see another surge. Profits are being taken, and analysts are trying to gauge the impact of the debt accord. The Bolsa has already lost about 10 percent of its value since the accord was announced on July 24.

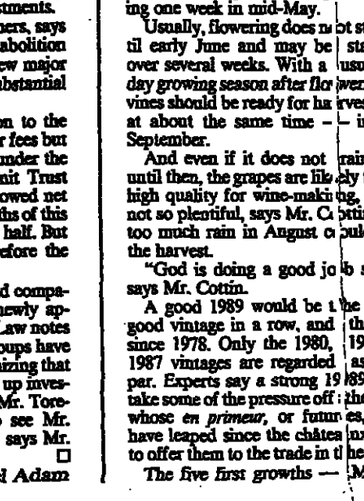
"I don't expect the stock market to explode," says Moises Tiktin, an analyst at Valores Finamex, a Mexico City investment bank. "In fact," says Mr. Tiktin, "I expect the market to be flat for the next few months."

"People are taking note of the fact that the foreign debt burden is still significant," explains Mr. Tiktin. For the next couple of years, he notes, the government's tough policy of wage and price controls will be a drag on corporate bottom lines.

The most immediate effect of the debt accord, a rapid fall in interest rates, may actually make corporate earnings worse. Before the agreement, many companies had more than a quarter of their assets invested in short-term money market funds yielding as much as 57 percent annually. The heavy financial investments had the effect of bolstering earnings, which lent support to stock prices.

"Because of the fall in interest rates, corporate profits will be down," says Adolfo Lopez Mateos, a market strategist at Pro Bourse, a Mexico City brokerage firm. The benchmark 28-day Treasury bill currently yields 34 percent.

P/Es on the Bolsa



INT

Despite the likelihood of reduced earnings in the second half of the year, prospects for the Mexican stock market over the long haul give cause for optimism. "Mexico is changing its economic model from a closed one to an open one," says Mr. Mateos. He notes that the government is eliminating a 49-percent cap on foreign ownership of Mexican companies and has cracked down on corruption in the financial markets and labor unions.

There other positive signs as well. Unprofitable state enterprises are being liquidated or privatized. And leaving aside the onerous interest payments, Mexico is actually running a budget surplus. Additionally, the Economic Solidarity pact, a wage and price agreement negotiated with business and labor, has brought annual inflation down to 20 percent from a peak of 179 percent in early 1988.

"If government reforms continue to get the support of the people there's no telling how high the Mexican stock market can go," says Henry B.W. de Vismes, London based portfolio manager of Kleinwort Benson's $60 million Transatlantic Growth Fund. Mr. de Vismes has $1.2 million invested in the Bolsa de Valores.

If anything, Mexico's private businesses have made even more progress than the government in eliminating borrowed money from their books. But the debt accord will not mean an immediate turnaround in Mexico's fortunes. Debt levels will remain high and without capital from abroad, economic growth is likely to move at a slow pace.

"The key to a market rally now is foreign investment," says Rogelio Ramirez de la O, an economist and the head of a consulting firm whose clients include many large Mexican companies.

"With the debt accord, the basic framework for economic reform is in place. And foreign firms that realize this will invest in Mexico even before corporate earnings and the economy recover," predicts Mr. Ramirez de la O.

The view is widely held by market analysts. The only question is how long it will take for stock prices to react.

Unlike Mr. Tiktin, Mr. Ramirez de la O believes the market will start to anticipate foreign investment in Mexican industry almost immediately. "From this moment through the end of the year the market will

Continued on Page 8

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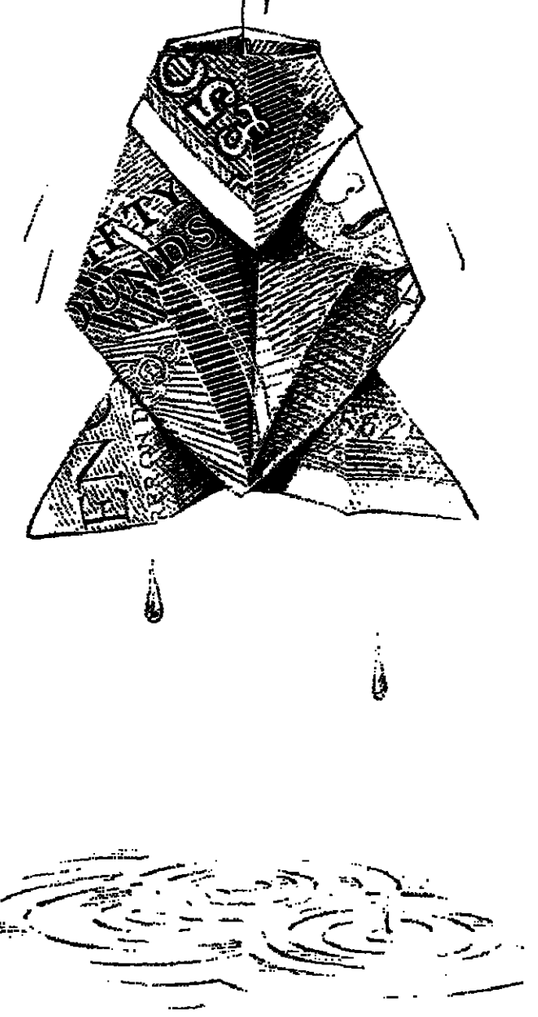
AMOUNT	£1,000+	£10,000+	£25,000+	£50,000+
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C.A.R.*	11.50%	12.36%	13.00%	13.26%

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WINE

At the Auctions, Wine Prices Surge

Continued from Page 7

Americans sold for 53 francs — only second in value behind the 63 francs a bottle paid by the Swiss. Japan paid 46 francs.

This year, it's not just the investment grade wines that are profiting. Sales of all Bordeaux red wines in the first 10 months of the selling season, starting September 1988, are up 21 percent and Bordeaux whites gained 22 percent.

Meanwhile, vintages of the past few decades are beginning to make news on the auction market after almost three years of stagnation. "It has been a remarkable year, with very, very strong demand for older wines up to 1982," notes Paul Bowker, associate director of Christie's wine department in London.

"The 1961 first growths last year and in 1987 were getting only £1,700 to £1,800 a case at auction," he said. "Now they're bringing bids of £2,000 to £2,500 pounds." The 1961 vintage is considered the best since 1945.

The fine 1982s, which are regarded as the best vintage of the decade, are also finding eager buyers, be they individuals, wine merchants or restaurants. A case of 1982 Palmer, ranked as a third growth, recently fetched £400 at auction. Last year, the same case ranged between £180 and £250.

Château Pétrus, the prestige Pomerol region label, is sky-high. "A year ago, Pétrus had difficulty finding buyers at £1,600," Mr. Bowker said. "Now we can get £2,000 to £2,500 every time we offer it."

IN RECENT MONTHS, the first 1985s have been showing up on the auction block, though Christie's is advising holders of these wines not to sell if they do not have to.

They reason that these wines are still several years away from realizing their optimum appreciation. Cases of 1985 Margaux, Latour and Mouton-Rothschild recently sold for £420 each, significantly below the 1982 wines of these chateaux, which range between £600 and £770.

Meanwhile, those who have the patience are advised to snap up available 1986s, which may have significant appreciation potential. High levels of tannin mean these wines may not mature for a decade.

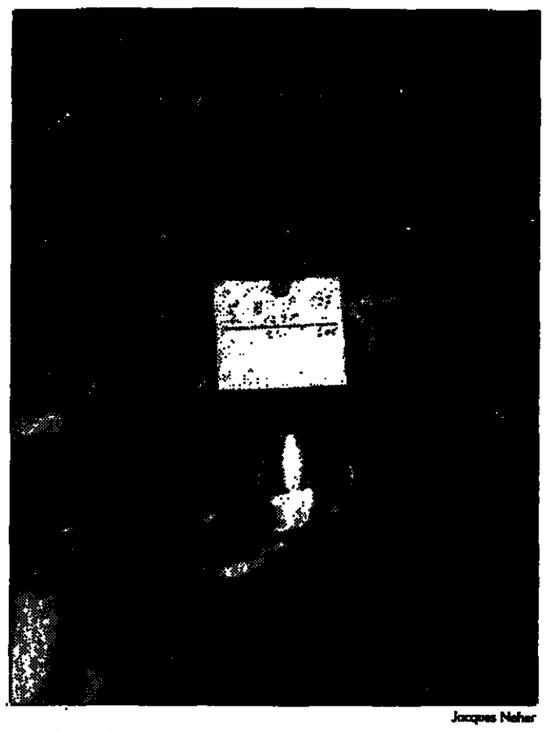
"If you can defer your gratification, then many (1986) wines will prove to be the most exhilarating Bordeaux wines produced since 1982," Mr. Parker advises.

Based on repeated tastings, Mr. Parker reports that 1986 wines with "exceptional potential" are Lafite, Lafleur, Gruand Larose, Léoville-Las-Cases, Margaux, Mouton-Rothschild, Pichon-Lalande, Rausan-Ségla and Talbot.

A good return on investment, however, is not guaranteed, notes Mr. Bowker of Christie's.

"Generally, a good wine begins to rise in value as other good vintages become more scarce," he explains. "But if you're looking at waiting 10 years, it's impossible to know how many other good vintages will follow the 1986s, and you also don't know what the interest rates will be."

Interest rates affect the costs of storing fine wines until they mature. □



Jacques Naher

Bottles of 1975 Mouton-Rothschild in the Baron Philippe de Rothschild's private reserve.

Investing in Wine: How Futures Work

THE ESSENTIAL ingredient for successful wine investing is patience. Wine, notes John Armit of John Armit Wine Investments of London, is normally bought when it is only a few months old, but is rarely consumed until it is seven or eight years old.

"It is best to think of a three or five-year 'lock-up,' with a selling period of several months needed to ensure the procuring of the best possible selling prices," says Mr. Armit.

The best time to buy investment-grade wine is the spring following harvest, when the châteaux begin offering the wine *en primeur* for future delivery to the *négociants*, as Bordeaux wine brokers are called. The brokers then offer the futures, plus a markup, to wine merchants, who then begin selling the futures, plus their own margins, to their customers.

The futures are sold when the wine is still in barrels, entitling the holders to take possession of the bottled product about two years after harvest. But most investors do not have adequate facilities to keep the wine once it is delivered and will have to pay a third party for cooled warehousing. John Armit Investments charges its clients £4 (about $6.40) per case a year to cover rent and insurance.

There may also be transportation costs, when the wine is ultimately delivered, value-added or sales taxes, and duties to pay. In addition, there are commissions when reselling. Mr. Armit charges 5 percent of the proceeds from sales, while Christie's charges 10 percent of the "hammer" price to sellers (plus another 10 percent to buyers).

Though Bordeaux's several thousand châteaux produce around 500 million bottles of wine a year, only 1 percent of that output, or about 430,000 cases produced by only 25 châteaux, are considered investment grade.

There are 62 classified wines, from first growth to fifth growth. The châteaux received these designations in 1855 by the Bordeaux association of négociants, though there have been reclassifications since then as overall quality levels have changed.

Most of the investment-grade wines are represented by the five first growths and 14 second growths, though there are several third growths, such as Château Palmer and Château Lagune, that are also in high demand by investors. In addition, there are several unclassified wines of investment grade, such as Pétrus, Ausone, Cheval Blanc and Mission Haut Brion. In fact, Pétrus, produced in very small quantities, routinely fetches much more than first-growths.

A single 12-bottle case of 1961 Pétrus recently was snapped up at the heady price of £8,000, almost four times the auction price on a 1961 Lafite.

There is also one investment-grade white Bordeaux wine, the celebrated Château Yquem sauterne. A case of 1967 Yquem recently hit £2,500 at auction. In 1986, a single bottle of Yquem, vintage 1784, found a buyer at £36,000.

Experienced collectors of fine wines take a far more philosophic view of their investments than a typical investor in stock and bonds. Any profits from the sale of their holdings is often regarded as subsidizing their passion for wine. And even when the market turns against them, they find solace in their cellar.

"Wine is made to be drunk," notes Paul Bowker of Christie's wine department. "If you make money, fine. But if not, you'll have wonderful wine to drink."

Jacques Neher

BONDS

Sizing Up Dual-Currency Bets

By David C. Lanchner

INVESTORS unsatisfied with yields in their domestic bond market are often lured abroad by the siren of higher interest rates. A Swiss citizen, for example, can buy a three-year Australian dollar bond paying 9 percentage points more than a Swiss franc bond of similar maturity.

But individual investors often become so fascinated with hefty coupons that they take little heed of how much additional risks underlies high-yielding bonds. Sizing up risks can be particularly difficult when a bond adds a number of bells and whistles, such as option-like features and currency linkages.

A good example has been the more than 25 dual-currency Euro-bonds hitting the market since February. These bonds, some of which carry the names of top-notch issuers, pay high yields to investors willing to forego the prospect of making currency gains. More to the point, they assume investors, focusing on the high yield, are unconcerned with the currency risk.

"We are paying the investor for his indifference to currency with a yield that is typically 3 or 4 percent better than the market rate," says Eric Mahmoud, syndication manager at Bankers Trust in London, which has underwritten more than six dual-currency bond offerings.

But critics contend that such indifference is really naïveté.

"Investors are being sucked in by the higher coupon and do not realize what they are giving up," says an executive at a competing investment firm that has not issued dual-currency bonds. "When the first of these bonds matures next year, there will be a lot of unhappy people," predicts the underwriter, who prefers anonymity.

ONE OF THE most obvious complications with the bonds is that the coupon interest rate does not necessarily bear close relation to what the investor will receive when the bonds mature — typically one year from the date of issuance. Consider a one-year Swedish Export Credit bond that Mr. Mahmoud cites as fairly representative.

The bond is denominated in Australian dollars and carries a yield of 20.6 percent, approximately three percentage points higher than rates on regular Australian bonds of similar maturity. Unlike regular bonds, if the Australian dollar appreciates, Swedish Export Credit reserves the right to redeem the bond in U.S. currency at a predetermined price of 78 cents per Australian dollar. The trouble is that, at the time investors forked over their Australian dollars, 78 U.S. cents was worth only 97.5 Australian cents.

This makes it advantageous for Swedish Export Credit to repay in U.S. dollars. It also means that investors paid back in U.S. currency will see the return shaved by 2.5 percentage points.

In the end, if the Australian dollar appreciates significantly investors will have forfeited the chance to cash in on the currency gain for a scant half percent in yield over a regular bond.

Of course, if the Australian dollar falls below 78 U.S. cents, investors will be paid back in Australian currency instead of U.S. dollars. But, if the Australian dollar does drop, the investor may find that, when the investment is converted into his local currency, foreign-exchange losses will have wiped much of the yield advantage from the higher coupon.

Daniel Rohrbasser, a money manager with the Geneva-based private bank Lombard Odier, says that annual yields should be between 25 and 30 percent to adequately compensate buyers of the Swedish Export Credit bond.

"Based on a study we did, that is how much the Australian dollar can fluctuate against major currencies in a year," he said.

Investors in these bonds may also have a hard time bailing out, given a thin market. "These bonds are definitely, absolutely illiquid," notes Mr. Rohrbasser. □

July Market Scoreboard

Best Performers

	Percent Change	Price July 31
New York Stock Exchange:		
Marion Laboratories	+53	35.88
Charles Schwab Corp.	+50	16.50
Tonka Corp.	+49	20.88
Worldcop Inc.	+49	11.38
Products Res. & Chem.	+46	31.38
Squibb Corp.	+45	110.38
Holiday Corp.	+44	70.75
Pilgrim's Pride Corp.	+38	10.88
Kay Jewelers Inc.	+37	22.38
Jepson Corp.	+32	11.75
American Stock Exchange:		
Lazare Kaplan Int'l.	+136	10.63
Graham Corp.	+107	23.00
Mission Resources	+89	13.00
Frederick's of Hollywood	+54	16.00
Viatech Inc.	+46	16.75
Over the Counter:		
Jesup Group Inc.	+107	14.25
Energy Ventures Inc.	+100	25.00
Kentucky Medical Ins.	+90	34.25
Hospital Staff. Services.	+55	13.13
Celgene	+52	11.25
London Stock Exchange:		
Avis Europe	+40	579
Ward White Group	+38	443
BAT Industries	+34	867
Cadbury Schweppes	+25	449
Maxwell Comm.	+23	206
Rentokil Group	+22	394
Dixons Group	+21	166
Rothschild Holdings	+20	237
Dalgety	+19	421
Warburg Group	+18	377
Tokyo Stock Exchange:		
Hattori Seiko	+41	3,380
Daiwa House	+33	2,680
Toyoda Auto. Loom	+27	2,960
Sekisui Chemical	+26	1,750
Daikyo	+25	3,990
Nichido Fire & Marine	+25	1,420
Chiyoda Fire & Marine	+24	1,340
Dai-Tokyo Fire & Mar.	+24	1,550
Japan Securities Fin.	+24	2,190
Sumitomo Corp.	+23	1,580

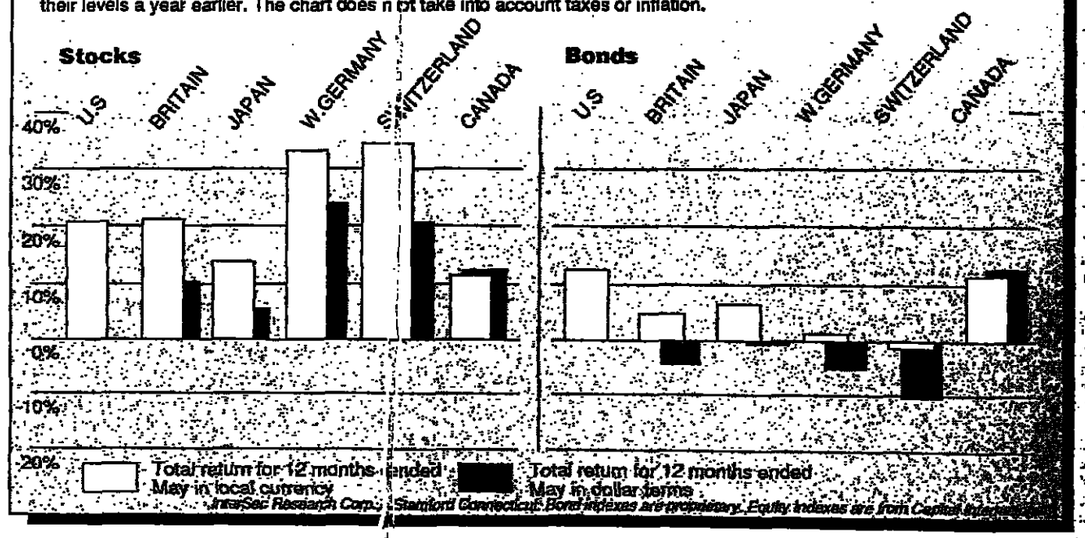
Worst Performers

	Percent Change	Price July 31
New York Stock Exchange:		
Sun Electric Corp.	−30	16.00
Commodore Int'l.	−25	10.38
CNW Corp.	−23	37.25
Allied Products	−22	15.13
Citytrust Bancorp	−20	28.25
Blockbuster Enter.	−18	14.13
Athlone Industries	−17	16.25
Prime Computer Inc.	−16	16.25
Cabletron Systems	−16	11.00
Cenvill Investors	−16	10.75
American Stock Exchange:		
Healthvest SBI	−26	11.13
Iroquois Brands	−21	10.00
Crown Central	−19	30.00
Organogenesis Inc.	−14	11.13
U.S. Cellular	−13	30.00
Over the Counter:		
Micron Tech. Inc.	−28	13.38
Fidelity Fed. Sav.	−27	13.75
Tekton Corp.	−26	10.00
Dreder Technology	−23	10.00
Boole & Babbage Inc.	−23	13.50
London Stock Exchange:		
Eurotunnel	−24	840
DeBeers	−20	858
McCarthy & Stone	−19	174
Amstrad	−9	71
Racal Telecomm.	−8	379
Rugby Group	−5	193
Carlton Comm.	−4	786
Astec	−4	52
John Laing	−3	325
Storehouse	−3	147
Tokyo Stock Exchange:		
Janome Sewing Machine	−10	3,010
Shochiku	−9	3,650
Japan Radio	−9	1,900
Intec	−8	4,200
Tokyo Electron	−7	3,530
Anritsu Electric	−6	2,230
Kollo MFG.	−6	3,990
Advantest	−6	5,000
Nagasakiya	−5	4,340
Nippon Soda	−5	903

International Herald Tribune

Total Return for 12 Months

Total return measures both the changes in the prices of securities and the income they provide either in dividends or interest. Gains or losses were measured by comparing market indexes with their levels a year earlier. The chart does not take into account taxes or inflation.



IntraSec Research Corp., Stamford Connecticut. Bond indexes are proprietary. Equity indexes are from Capital International.

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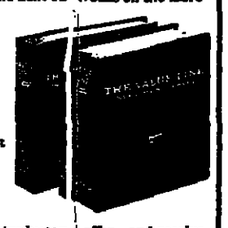
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BOURSES

Mexico's Market

Continued from Page 7

definitely go up although it will be volatile," says Mr. Ramirez de la O. Mr. Tiktin and others believe the market will not rally until there is concrete evidence of foreign investment. That may not be until the first quarter of next year, they say.

Optimistic scenarios generally focus on the attractive fundamentals of Mexican businesses. "Mexican companies are undervalued by about 60 percent, and asset prices could easily double over the next two years as international companies bid on firms and invest in stocks," says Mr. Ramirez de la O. On average, shares in Mexican companies trade at prices equal to about seven times their annual earnings, and at about 0.8 percent of their book value.

Some stocks with below-average price-earnings multiples are Femsa, a brewery, Alfa, a conglomerate with steel and petrochemical interests, and Telephonos de Mexico, the national phone company. Femsa and Alfa carry little debt and have unusually strong earnings for the Mexican market.

Telephonos de Mexico, whose shares are traded as American Depository Receipts in the U.S. over-the-counter market, is expected to benefit from an imminent overhaul of the nation's phone system. The state is also reportedly considering selling its share in the firm to the private sector. Analysts say that would boost the stock price at least 20 percent. □

Herald International Tribune
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Cashing In on the Search for Cleaner Energy

By Cynthia Catterson

New York

WITH CONCERN about environmental issues running high worldwide, the search for cleaner fuels promises to be a major investment theme that could extend well into the 1990s. Lately, investment professionals have zeroed in on the natural gas industry as the most likely beneficiary of efforts to clean up the air.

Even before President George Bush unveiled his clean-air proposals earlier this year, demand for natural gas had been on the rise, particularly among electric utilities. Analysts say utilities in the United States and the United Kingdom are adding generation processes that use natural gas in place of — or in combination with — other fuels.

"We expect to see a positive growth in demand for gas complemented by a decrease in demand for dirty fuels like coal," says Paul Ting, an analyst at Oppenheimer & Co.

The emissions from natural gas combustion are free of sulfur dioxide, reducing the level of contaminants released into the atmosphere. Ronald Barone, an analyst at Kidder Peabody, projects that sulfur dioxide emissions could be reduced by roughly 1 million tons annually if 100 of the largest facilities were to switch to a co-firing method using 90 percent coal and 10 percent gas.

But cost is a major factor behind the shift. By some estimates, building a "combined cycle" power plant using gas and some other fuel costs some 30 percent less per kilowatt of generating capacity than a new coal-fired unit. And a British government study found these gas-burning units were as much at 60 percent more efficient than than coal-burning units.

Curt Launer, an analyst at Donaldson, Lufkin Jenrette, estimates that U.S. natural gas use increased 5 percent in 1988. In the first four months of 1989, consumption was up 1.5 percent. That marks strong growth in demand, says Mr. Launer says, who notes that the winter was abnormally warm. In the next five years, he expects consumption to grow 3 to 3.5 percent on a compounded annual basis, with electric utilities accounting for the largest portion of that increase.

Wider use of natural gas has already tugged up prices. The current price for natural gas is about $1.60 per thousand cubic feet, up from $1.37 at this time last year. Mr. Barone estimates that prices in the peak season — January — will rise to as high as $2.10 next year, up from $1.87 in January 1989. By January 1991, the price could hit $2.30, he says.

Such projections assume that there will not be a slide in oil prices. That would upset the bright scenario for natural gas, cautions Mr. Launer. "As long as oil prices remain high, gas will be the fuel of choice," he says. "If oil prices collapse as they did in 1986, gas prices will go down significantly."

But for now, the future seems bright. Among the first to benefit have been the companies whose principal business is the extraction of natural gas. Indeed, the shares of many gas producers already look pricey, cautions Mr. Barone and other analysts. But Mr. Barone recommends Anadarko Petroleum Corp. and Louisiana Land, two North American producers, as solid long-term bets.

"For every 10-cent increase in gas prices per thousand cubic feet, the earnings per share for each of these companies goes up about 16 cents apiece," he explains.

Pipeline and distribution companies offer another way to cash in on higher demand for natural gas. Mr. Launer of Donaldson Lufkin believes that companies such as Consolidated Natural Gas, Coastal Corp., Columbia Gas and Panhandle Eastern will prosper.

Many of the large, integrated oil companies also have substantial natural gas interests. Paul Ting, analyst at Oppenheimer & Co. favors this approach. He recommends Chevron, Amoco and Mobil Oil, which have the largest natural gas reserves among the major oil companies. These reserves would enable the majors to bring more gas on stream to meet new demand quickly without any additional capital expenditure.

"These three will be the first in line to sop up growth in demand," says Mr. Ting.

Britain's planned privatization of the electric power industry offers a twist on the natural gas theme, in the view of some analysts. They figure that the privatization could speed up the adoption of generating plants that use natural gas along with other fuels.

"In the past, the Central Electricity Generating Board would go in for vast scale projects using mainly coal," notes Brendan Wilders, an oil analyst at Hoare Govett in London. "But privatization opens doors to smaller scale projects by independent electricity generators who are likely to opt for co-generation using gas because it is competitively priced, cleaner to use and more flexible in its operations."

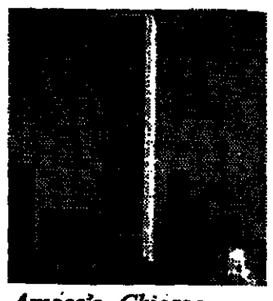
MR. WILDERS believes British Gas, the U.K.'s prime producer and distributor of natural gas, has much to gain from the shift. He estimates that U.K. demand for natural gas could increase by as much as 30 percent within the decade.

Other attractions include the company's cash board and its strength in exploration. It is the fourth largest operator in the North Sea. On a per-share basis, Mr. Wilders says, British Gas' North Sea interests alone are worth £1 per share. The company's shares are quoted currently at about £2.

Another variation on the theme is Royal Dutch Shell, which owns the world's largest fleet of tankers for shipping liquefied natural gas (LNG). Jeremy Hudson, an oil analyst at Shearson Lehman Hutton in London, says the LNG fleet only adds to the allure of a company that would be a good buy even without its natural gas business.

Shell transports LNG to the U.S. market from Nigeria, Malaysia and Australia, notes Mr. Hudson. That could be important as supplies in the United States begin to dwindle. □

Three Ways to Bet on Natural Gas



Amoco's Chicago headquarters.

1. The Majors

Large, integrated petroleum companies with substantial interest in natural gas offer diversified plays. Paul Ting of Oppenheimer and Co. recommends Chevron, Amoco and Mobil for their big reserves. Wilders at Hoare Govett, who estimates U.K. demand for gas could increase 30 percent in 10 years, believes British Gas stands to gain. Royal Dutch Shell's tanker fleet for liquefied natural gas gives it an important position as well, notes Jeremy Hudson of Shearson Lehman. The company transports gas to the United States from such areas as Nigeria, Malaysia and Australia.

2. Pipeline Companies

The expected growth in natural gas demand could also be a boon to pipeline and distribution companies, notes Curt Launer of Donaldson, Lufkin and Jenrette. In that sector, he likes Consolidated Natural Gas, Coastal Corp., Columbia Gas and Panhandle Eastern.



Laying gas pipeline in Wyoming.



Drilling in Gulf of Mexico.

3. Gas Producers

The companies whose main business is extraction of natural gas offer the most direct play. For the long term, Ronald Barone of Kidder Peabody recommends Anadarko Petroleum and Louisiana Land, two North American gas producers. But analysts believe some shares of producers are too pricey.

International Herald Tribune

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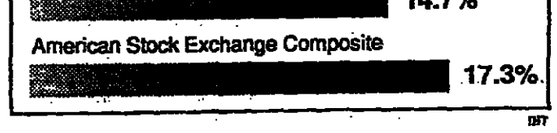
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OTC Issues Lagged in Half



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OTC: Illiquidity Has a Stiff Price

Continued from Page 7

want to feel more comfortable with names they know," says Mr. Flaherty. "They miss the wonderfully profitable emerging growth companies which are on the bargain counter today."

Taking advantage of these opportunities can be tricky. Investors should not expect to slip in and out of over-the-counter issues in the same way they trade in blue chips. Many OTC issues trade so thinly that they are difficult to acquire in good times and virtually impossible to unload in bad times. This lack of liquidity drives up the costs of trading.

"There was absolutely no liquidity in October 1987," recalls Peter Schliemann, manager of the $80-million Babson Enterprise Fund. "It's gotten better than that, but it still has a long way to go."

Stories abounded after the 1987 crash of OTC market markers who ignored the phone calls of investors seeking to unload their shares. The National Association of Securities Dealers, the self-regulatory agency that oversees OTC trading, insists that those problems have been rectified.

New safeguards include a more powerful computer system to handle large volume trading, a small-order execution system to handle trades of 1,000 shares or less, and stiff penalties for market makers who refuse to do business. The problem of marketability has also been eased somewhat by the greater role of institutional investors. Although the OTC is considered the domain of the small investor, pension and mutual funds now comprise about 43 percent of the trading.

When it comes to the crucial issue of liquidity, the OTC is really three separate markets. At the top is the Nasdaq National Market, with 2,800 of the largest issues, such as Apple Computer, MCI Communications and Intel. Then there are 2,200 less frequently traded smaller stocks, ranging in market capitalization from $20 million to $300 million.

At the bottom are the racier "pink sheets," some 11,000 issues whose thin trading excludes them from the electronic quotation system. Information of these companies circulates on bulletins printed on pink-tinted paper.

Stringing all of these together are 350 market makers, ranging from well-known names such as Merrill Lynch and Shearson Lehman to smaller, but equally influential firms in the OTC arena like Herzog, Heine and Geldud. The average Nasdaq stock has 10 market makers, while some of the smaller pink-sheet companies sport only two.

A market maker profits from the difference — the spread — between the so-called bid and offer prices. The bid is the price the buyer is willing to pay, and the offer is price the seller is seeking. The wider the spread, the higher the cost of dealing in an issue.

As a general rule, spreads tends to be narrower on the most tradeable issues, and wider on the most illiquid ones. An example of a liquid OTC issue is MCI, the communications company. Buyers were recently bidding $39.375 for MCI, while sellers were asking $39.50, or the difference of $125 on one thousand shares. Such a small spread indicates a very liquid market for MCI. Indeed, about two million shares change hands daily in the $5.14-billion company.

Compare that to A.P. Green, a Texas manufacturer of refractory materials for high-temperature ovens. About 18,000 shares in the company trade daily. A.P. Green was recently quoted at $29.25 bid, $30 ask — a 75-cent spread, or $750 on a thousand shares. In thinner issues, spreads can run 10 to 20 percent of the stock price.

Institutional-sized players like mutual funds or pension funds can often dictate the terms of the trade.

"An individual investor has to take what is given," says James Craig, manager of the Janus Venture Fund, a small-company fund based in Denver. "His order is not a priority."

On top of the spread, a small buyer has to pay a broker a commission. Hence, someone who wants 1,000 shares of A.P. Green at $30 is probably going to pay another 25 cents a share in commissions. That means the value of the investor's holding will have to increase by more than $1,000 before moving into a profit.

As a result, analysts say small investors should stick to a long-term strategy of buying and holding stocks. An alternative is a mutual fund. Three funds that have good track records and charge little or no sales fee are Babson Enterprise, Janus Venture or the O-T-C Securities Fund.

Nasdaq is really three markets.

Brewers' Cloudy Future

But a few names offer interesting potential.

By Nigel Adam

London

BY ANY MEASURE the summer of 1989 has been good to Britain's brewers. The hot weather has swelled the ranks of thirsty drinkers already liberated by the extended opening hours introduced in the nation's public houses last year.

This July, the British government backed away from a controversial proposal that would have placed a ceiling of 2,000 pubs on each of the country's six largest brewers. The proposal, from the Monopolies and Mergers Commission, would have forced the sale of up to one quarter of Britain's 80,000 pubs.

Instead, any brewer owning more than 2,000 pubs must operate at least half of the excess as "free houses," able to sell whatever beer they choose. The Brewer's Society, a powerful lobby which termed the original monopoly commission proposal a "charter for chaos," welcomed the change of heart. Stock prices of brewers moved smartly higher.

Yet few analysts are jumping for joy over the industry's prospects. Earnings forecast for the group have not been substantially raised. With an average price-earnings ratio of 10, the group continues to trade at a discount on the market's overall P/E of 11. Followers of the industry say a few companies look like good bets, notably some smaller brewers, but investors will have to choose their targets with care.

The complications start with the changing pattern of consumption. Consumers are becoming sensible drinkers, preferring quality to quantity, say analysts. Britain's economic squeeze is also having an impact.

"The good summer sales are masking an underlying fall in beer consumption," cautions John Spicer, analyst at Kleinwort Benson.

While analysts agree that industry is still headed for some big changes, the consequences are hard to predict. "Much of the detail of the government's decision has yet to appear," says Mr. Spicer of Kleinwort. "A further review is promised after five years but, if the government changes, anything could happen."

The Big Six — Bass, Allied-Lyons, Grand Metropolitan, Courage, Whitbread, and Scottish and Newcastle — control around 80 percent of the U.K. beer market. Under the original monopolies commission proposals, some might have been forced to pull out of brewing altogether.

A handful of regional brewers look set to gain from the government's decision that each of the Big Six must introduce a guest real ale into all their pubs. "Those with strong brands such as Marston Thompson, Wolverhampton and Dudley and Greene King could benefit substantially," says Geoffrey Coller, analyst at broker, County Natwest Woodmac.



AP Wideworld

CNW estimates pretax profits for Wolverhampton and Dudley, a Midlands-based brewer, at £31 million in the year ending September 30, rising to £35 million in 1990. That compares with £26.7 million last year.

The major national brewers are already formulating a change of strategy, mindful that their victory over the monopolies commission may only be temporary.

Their choice lies between selling beer and managing real estate assets — or even a combination of both. Bass, the country's largest brewer, made it clear that, whatever the results of the monopoly inquiry, it would go for a combination.

Bass, whose pretax earnings rose to £449 million last year from £365 million in 1987, recently split its brewing operation into two parts — production and retailing. Analysts respect the company's brand portfolio and "free-trade" experience in marketing to outlets other than its own pubs.

NOT ALL of the Big Six have moved as fast as Bass. Grand Metropolitan, the third largest, is already heavily committed to retailing and has yet to decide whether to remain in brewing over the longer term.

Most analysts agree that at the production and wholesale level, the brewers' profit margins are under pressure. "Those who feel they are not competing effectively may well decide to abandon this activity altogether," says Martin Hawkins, analyst at the brokerage of Kitkat & Aitkin.

Whitbread is another brewer whose retailing strengths are widely recognized. "Whitbread is definitely one to watch," says Mr. Hawkins of Kitkat. "In the growing free trade area they occupy the middle ground between Bass at the top and Grand Metropolitan at the bottom."

The brewer has historically underperformed in the stock market relative to its competitors.

"We believe that the group still has the potential to develop as a major leisure retailer, internationally as well as in the U.K.," says County Natwest Woodmac in its recent review.

Meanwhile, the European Commission is conducting its own investigation into the beer industry, which is not expected to see the light of day until next year. It is almost certain, however, that it will urge greater freedom in the European market of 1992.

It is likely that the U.K. majors will concentrate on defending their home turf, where European brands have already gained a firm hold. The need to put together a coherent strategy in the face of further legislative change is pressing. □

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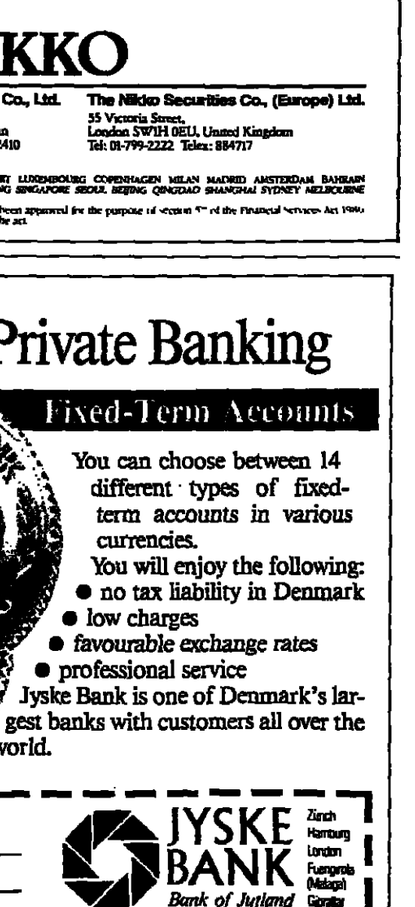
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*Source: Nikkei Money

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NASDAQ National Market

OTC Consolidated trading for week ended Friday. Aug 11

	Sales in 100s	High	Low	Close	Net Chge
A					
A&W Bd		726	29½	29	29½
ABS s	32 4.0	70	8¼	7¾	8 — ¼
ABD		255	1⅛	1⅛	1⅛ + ⅛
ACC Cp	.09e 1.5	400	6	5⅞	6
ADC		956	16¾	16½	16½ + ⅛
ADT		19917	33¼	31¾	31¾ — ⅛
AEL		47	6¾	6¾	6¾
AEP		459	16½	16	16
AFM Tel		309	4⅛	3⅞	4⅛ + ⅛
AIRCOA		26	3½	3½	3½
ALC h		1165	4⅞	3⅞	3⅞ — ⅛
AMIE		693	11½	11⅛	11⅛ — ⅛
ASK		12472	12⅛	11⅞	11⅞ — ⅛
AST		3218	9⅜	8¼	8½
AamRt	.10 .7	1244	15¼	13	14 +1⅛
Abimg8	.12 4.1	95	8¼	7¾	7¾
AbelInc		47	17⅛	17⅛	17⅛ — ⅛
Abrams	.20 4.3	11	4⅝	4⅝	4⅝
Acadin		2176	1⅜	1¼	1⅜ + ⅛
Accel	1	172	7¾	7	7 — ⅛
AccMfn		220	18½	17½	18¼ + ⅜
Acledms		1393	8½	7⅝	7⅝ — ⅛
AclwtB		708	2⅛	1⅝	2
Acsys	.14D .9	210	15⅜	14¾	14¾
ACuT		68	9	8	8 — ⅛
AcmeSt	.05e .3	589	19½	18½	18½ — ⅛
AcraRt s	1	1276	19½	18¾	18¾ — ⅛
AcruSv	.32e 2.8	262	12	11¼	11¾ + ⅛
ActAuSt		87	2¾	2¾	2¾ — ⅛
Actuinn		5118	19¾	18½	18½ — 1⅛
AdacLb	.16 3.4	383	5	4⅝	4¾ — ⅛
Adape		638	1⅜	1¼	1¼ — ⅛
Adapt		2028	14½	13	13⅝ + ⅜
Adingt s		1667	19¾	18¾	19 — ⅛
AdioSv	.14 .6	7948	24½	23¾	24½ + ⅛
AdobeS s	.14I .6	17682	26½	25¾	25¾ — ⅛
Adtec		352	3⅜	3¼	3¼ + ⅛
AdvClr		2277	6¾	6¼	6¼ — ⅛
AdvRes		391	12½	11¼	11½ — ⅛
AdCpt		134	1⅜	1⅛	1⅛
AdvMag		460	11½	10¾	11¼ — ⅛
AdvMkSv		1071	13¾	11¾	13 +1⅛
AdvPoly		1561	7¼	6¼	7 + ⅛
AdvSem		481	8¼	7¾	7 + ⅛
AdvTel		10116	24¾	21¾	23¾ +1⅜
Advanta		1632	10½	10	10 — ⅛
Advanl		11866	5¾	4	5 + ⅛
AdvCo wt		2761	⅝		⅝ + ⅛
Aegon	1.27e 2.5	2633	50½	49¾	50¼ + ⅛
Aequitm		700	2¾	2	2⅛ + ⅛
Aerosv		215	52¼	51¾	51¾ + ⅛
AerSys		256	1⅜	1⅛	1⅛
AffBsCp	.32 4.3	1135	7½	7½	7½ + ⅛
AfBsh		739	13⅜	12¾	13⅛ + ⅛
AgncyR	?	10089	18	16½	16¾ — 1⅛
Agnico s	.20 2.5	921	8¾	7¾	8⅛ + ⅛
Agourn		268	10¾	9¾	9¾ — ⅛
AirMd		1182	8¾	8⅛	8¼ — ⅛
AirWisc	?	8710	13¾	12¾	12¾ — ⅛
Airtran	.16 1.7	2555	9¾	8½	9⅜ + ⅛
Akorn	.06e 3.2	9	2	1⅞	2
Alamo	.16 3.4	2489	34⅜	33⅜	33⅜ — ⅛
AlamBc	.60 3.2	9	19¼	18¾	18¾ — ⅛
Alaska	1.10 7.9	2544	14	13	14 + ⅛
AlaskII		752	25¾	25¼	25¾
Aldus		5211	15	13¾	13⅜ — 1⅛
AlexBr	.16 1.1	7618	14½	13¾	14 + ⅛
AlexBld	.80 2.2	6221	36¼	35	35 — ¼
AlfaCo	.36 3.3	1164	11⅛	10¾	10¾ — ⅛
Alporex		9	1⅛	1⅛	1⅛
Alsco	.20 .6	43	36½	35¼	35¼
AlAms		125	2¾	2¾	2¾ — ⅛
AlCity		49	2⅛	2	2 — ⅛
AlegW		2788	7¾	7¾	7¾ — ⅛
AlnOrg	.40 1.1	13	39	37½	37½ — 1½
AlfFnl	1.00 2.4	1043	41	41	41
AlkanTp		2897	12¾	11¾	12½ + ⅛
AlnPh wt		20	4¾	4¾	4¾
Alliant		3827	5¾	4⅝	5 + ⅛
AlldBk s	.30 3.2	63	10½	9½	9½ — ⅛
AlldCap s	1.08e 3.8	6	29	28½	28½ — ½
AlldGp	.44 3.4	132	13¾	11¾	12⅝ + ⅛
AlldRsh		188	2⅜	2¼	2¼ — ⅛
AlovCst		1201	2¾	1¾	2 + ⅛
AlstFn		2952	7¾	6¾	6¾ — ⅛
Alltrust		6169	20¼	19½	20 + ⅛
Alcette	.15e 1.2	247	13	11¾	12½ +1½
Alphari		504	⅞	¾	¾ — ⅛
AlpMic		445	7¾	7¼	7¾ + ⅛
Alpnt		54	3	2¾	3
Altera		4354	8¼	7¾	7¾ — ⅛
Altus		1838	4¼	3¾	4⅛ + ⅛
Altus		2088	6¼	6	6⅛ + ⅛
Altron		87	5	4½	5
AmbFn		20	1	1	1 — ⅛
AmcorF	.50 2.7	339	19	18½	18¾ + ⅛
Amrfan	.32 3.1	374	12¼	11½	12⅛ + ⅛
Amerbc	.22 2.1	1703	11	10½	10¾
AFFAM2	3.09e36.0	369	8½	8	8⅛ — ⅛
AFFF		1471	22¼	21¼	22 — ⅛
AmFPr	1.60 10.5	189	16	15¼	15¼ — ⅛
AFTxE	1.70 11.0	747	15¼	15	15½
AFTzE	1.70e 8.0	282	16	15¼	15¾ + ⅛
AWAir		46099	12¾	11¾	12¾ + ⅛
ABnkr	.50 3.8	3044	13¾	12⅞	13 — ⅛
ACapec	.20 1.2	7	17¼	17¼	17¼ + ⅛
AmCity		659	15¾	14½	14⅝ — ⅛
AColoid	.44 3.0	25	14⅞	14¾	14¾
AConsu		26	8¼	8½	8½ — ⅛
AmEcol		123	9¼	8⅞	9⅛ — ⅛
AFSvDu	.10e .9	441	12	10¾	11¾ + ⅛
AFilm	.85 3.5	26	24½	24½	24½ + ⅛
AGreet	.66 2.3	13183	29½	28¾	29 — ⅛
AHllSv		396	3⅝	3⅜	3⅜ + ⅛
AHSId		5701	9¾	9	9⅛ — ⅛
AIndF	.56 5.5	99	10½	10	10¼ — ⅛
Aminis		1667	5¾	4¾	4¾ — ⅛
AMagnl		438	5¾	5	5⅛ + ⅛
AMS		1102	12¾	12¾	12¾ — ⅛
AMedIE		28	8	7½	8 + ⅛
AMkt		357			
ANIIns	1.48 3.9	366	37½	35¾	37½ +1⅛
ANatIC		190	⅝	⅝	⅝
AmNuns		1	19	19	19 — ⅛
AmPac		550	10¾	10¾	10¾ + ⅛
APhyG		253	3	2¾	3 + ⅛
AmPlan		188	2½	2	2⅛ + ⅛
APwCs		1000	19¼	16¾	16¾ — 1⅛
AReliGp	.32 3.0	119	10¾	10¼	10¾ + ⅛
ARepBc		228	8⅝	8	8½ + ⅛
AmRice		1299	3⅜	1⅝	2⅛ + ⅛
ASLFl pf	2.19 13.0	151	16⅞	16½	16⅞ + ⅛
ASWW	.20 .7	3939	28½	28	28 — ⅛
ASoft s	.28 1.6	2354	18	17	17⅝ — ⅛
AmStl		833	6⅝	6¾	7⅛
ATyCm		4653	50	48¾	50 +1
AmTrv		4880	10⅝	9¾	10¼ +1¼
AVnu s	.04I .6	32	7¼	6¾	6¾
AWstCp	.10r 1.0	660	10⅜	10⅛	10½ — ⅛
AWood		72	13⅜	12¾	13 + ⅛
AmFtBk		8544	6¾	6¼	6¾ — ⅛
AmerHr	1.28 5.1	3450	25¼	24¾	25¼ + ⅛
Amerlk	?	40	1⅞	1⅝	1⅝
Amgen		19002	42¾	38½	39½ —2½
Amistar		30	2¼	2¼	2¼
AmtvSv	.20 2.1	3489	34⅜	33⅜	33⅜ — ⅛
AmskBk	.30I	3761	8¾	7¾	8 — ⅛
Amaske	.60a 2.2	730	27	27	27
Ampkin		24	13½	13	13¼ — ⅛
Amsery	!	1417	6¾	6¼	6⅜ + ⅛
Amvst s	.20 2.8	2171	7½	7¼	7¼
Anlogic		758	10	9¾	9¾ — ⅛
AnalyTc	.15 1.6	61	15¼	14¾	14¾ — ⅛
Analvin	.68 2.2	572	22	21¼	21½ — ⅛
Anamed	.10e 2.0	1660	17¼	16½	16½ — ⅛
Anaren		174	5¼	4¾	4¾ — ⅛
AnchSv		4121	4½	3¾	4⅛ + ⅛
AndrGr		199	11¾	10¾	10¾ — ⅛
AndvBc	.80 5.3	1945	15¾	15	15 — ⅛
AndvTc		345	7¾	6¾	7⅛ + ⅛
Andrew		3445	23¾	22	23⅛ + ⅛
Andros		527	8½	8	8¼ + ⅛
AnsysIn	.20 1.1	1035	18¼	18¼	18¼ — ⅛
AppleC	.40 1.0	84477	45¼	41¾	41¾ — ⅜
ABiosci		2028	27¼	26	26½
AbldBio		3818	32¼	29½	31½ + ⅜
AbldMd		2435	28¾	27¼	28½ + ⅛
AbldPs		4964	21	19½	20½ +1
AbldSir		176	11	10¾	10¾ — ⅛
AraSch		96	2½	2½	2½ — ⅛
Archive		4265	12¾	11¾	12¾ + ⅛
Arbor s	.16 .7	1647	22	20	21½ — ⅛
Arden		92	72	66	66
ArgoGp	.25e .4	518	63½	61¾	62⅜ + ⅛
Arlten		1207	16¾	15	15¾ — ⅛
ARIX		743	5½	4⅝	5¼ — ⅛
ArizInsl		2979	18¾	17¾	18 — ⅛
ArrayFl		324	15½	15	15 — ⅛
Armor	.44 3.0	1926	21¼	20¼	21 + ⅛
Arnold	1.00 3.2	5886	32½	31¼	31½ — ⅛
Arrow8k	.64D 3.5	38	18¾	17¾	18½
Artel		1757	7	6¾	6¾ — ⅛
ArtWav	.30e 3.2	1	9¾	9¾	9¾
Ashton		20907	15	13½	13⅞ — ⅛
Aslamr		200	9½	8¾	9¼ + ⅛
AsenR		398	3⅝	3⅜	3½ + ⅛
Asnin		398	3⅝	3⅜	3½ + ⅛
Asnin wt		165	2¼	1⅞	2 + ⅛
AsdBnc	.64 3.4	501	19	18½	19 — ⅛
AsCmA s		1187	14¾	14½	14½ — ⅛
AsCmB s		260	14½	14½	14½ — ⅛
AsdNG		2823	18¾	17⅞	18¼ + ⅛
Aster		1015	14¾	14¼	14¼ — ⅛
AstrM s		279	10	9½	10 + ⅛
Astrcm		125	1⅞	1⅝	1⅝ — ⅛
Astron s		34	1½	1½	1½ — ⅛
Astrosy		169	4⅜	4½	4¾ + ⅛
Ateh		78	6	5¾	5¾ — ⅛
Athev	.10r 1.0	284	10¾	10½	10½ — ⅛
AtlcoF	.20 2.8	114	10¾	10	10¾ — ⅛
AtlInsn	.48 3.2	2722	15¾	15	15 — ⅛
AtlInd	.40 2.9	2087	14	13¾	13¾ — ⅛
AtlAm		2086	2¾	2½	2¾ — ⅛
AtlFin	.07I	1091	1½	1¼	1¼ — ⅛
AtlFpf	1.05 70.0	20	1½	1½	1½ — ⅛
AtlSeAr	.72e 1.8	6506	18	17¼	17½ — ⅛
Atwood	.72e 1.8	397	40½	39¾	39¾
AtwdOc		162	16½	15¾	15¾ — ⅛
AuHTrT		1983	10¾	10¼	10¼ — ⅛
Autoctv	.20 1.6	473	12¾	11¾	12¼ + ⅛
Autodk	1.50e 3.8	10311	41	38¾	39¾ + ⅛
Autodie		31	13¼	12¾	13¼ — ⅛
Autolnl		1	20	20	20
AutLng		1932	3	2¾	3 + ⅛
AutoSv		131	2¾	2½	2¾ + ⅛
AutoCo		1	20	20	20
Avntek		4357	6¾	5¾	6¼ + ⅛
Avatar		149	28¾	26	28 + ⅛
Avery		1226	19	18¼	18¾ + ⅛
Avnale	.92 4.8	1221	19¼	18¾	19¼ + ⅛
AztCm	.10 2.4	238	4¾	3¾	4¼
B					
BB&T s	.72 3.2	1121	22½	21¾	22¼ + ⅛
BH Bulk	2.75e 40.0	457	6⅞	6¾	6⅞ + ⅛
BEI El		1703	28	27¼	27¾ + ⅛
BEI	.24 5.8	1047	4¼	4	4 — ⅛
BF Ent		5	8¼	8¼	8¼ — ⅛
BFS NY		216	12	12	12 +1⅛
BGS	.40a 3.2	1153	13	12½	12¾
BHA s		122	18¾	17¾	18¼ — ⅛
BHA B s		157	19	18	18¼ — ⅛
BMA	1.20 3.5	1514	35¼	34¼	34¾ — ⅛
BMC Sft		1998	22½	21¾	22¼ + ⅛
BMJ	.40 3.6	87	17	16½	16½ — ⅛
BMR Fn		99	8¾	8½	8½
BNH	.24 2.9	349	8¼	8	8 — ⅛
BSB Bcp	.40 3.8	349	17¾	16¾	17¼ + ⅛
BT Fin	.76 5.4	152	14¼	14	14 — ⅛
BTR	.08 1.2	1533	6½	6	6½ + ⅛
BTU Int		2449	8	7	7¾ — ⅛
Babcox		1959	12¾	11¾	12½ + ⅛
Badger s	.48 2.4	35	22	20	20 — 1
Bailey		170	2¾	2	2⅛ — ⅛
Bakrs	.96 .3	4846	31	29½	29½ — 1⅛
Balchan	.83	90	4¾	4½	4¾
BldLvB	.20 1.9	3374	10¾	10	10¼ + ⅛
BaldPkr		789	12¾	11¾	11¾ — ⅛
Balard s		797	19½	18½	18½ — ⅛
Baltex	.15 1.2	1993	13	12¾	12¾ — ⅛
BncPnc	1.50 13.2	1013	44	40	40
BnPas s	.80 3.2	1701	23¼	22	24½ +2⅜
BcMwst	1.56 2.7	746	58	56½	57¼ +1
BcMiss	.76 3.6	9	21	21	21
BcNJ	.40 3.3	88	12¼	11½	12¼
Banclec		886	15¾	15¼	15¾ — ⅛
BandoM	.68 9.5	115	7¼	6⅞	7¼ — ⅛
BangH	1.16 7.5	317	15¼	15¼	15¾ + ⅛
BankAtl		14	9½	9½	9½ — ⅛
BkGran	.60 1.8	10	32½	32½	32½ — ⅛
BnkNH	.92 4.4	46	21	20	20 — ⅛
BkSou	.48 4.0	809	12¼	12	12⅜ + ⅛
BnkesI	.24I	126	4¾	4¾	4¾ — ⅛
BnkFst	.16e 1.4	1265	10¾	10½	10½ — ⅛
BkrNle		32	2¾	2¾	2¾
Banknth	1.72 4.7	33	37½	36¾	36¾ — ⅛
Barlowd	1.00 1.3	87	75	72½	74⅜ + ⅛
BkMAs		910	9½	9	9⅛ — ⅛
BkWarc	1.00 6.3	2745	16¼	16	15⅞ + ⅛
Banta	.52 2.1	649	25½	24½	24½
Barden	1.00b 2.7	22	37½	36	37½ +1⅛
BarriRs		354	3⅜	3¼	3⅜
Barris		1784	10½	9¾	10¼ — ⅛
BarryJs		160	13	12¾	12¾ — ⅛
BsTnA		56	4	3¾	4 + ⅛
BasAm		72	4	3¾	3¾ — ⅛
BasPtr s		21	6¼	6¼	6¼
BseIF	1.00 2.6	2258	39½	38	38½ + ⅛
BayVw	.20e 1.2	3709	25¾	25½	25½ + ⅛
BayBks	1.80 4.5	1553	40½	39½	39¾
BcrlyN		1	19	19	19 — ⅛
BeavCs	.05I .3	787	17¾	16¾	17¾ — ⅛
BeauIL		301	4½	4¼	4⅜ + ⅛
Beebas	.20 1.6	376	13¾	12¾	12¾ + ⅛
BelFuse		406	5¾	4¾	5⅛ + ⅛
Bellw		165	4⅜	4½	4½
BellSv		241	10	9½	10 — ⅛
Belmnt		504	¾	¾	¾
BenLer		507	17½	16½	17 + ⅛
Benhan		970	3¼	3	3⅛
BenlSv		2257	4¾	4¼	4¼ — ⅛
Berkley	.40 1.1	2113	35¾	34¾	35 — ⅛
BerkGs	1.28 7.2	41	17¾	16¾	17¾ + ⅛
BethlBc	.57e 4.1	3	14	14	14
BetzLb	1.88 3.3	2447	60¼	57¾	57¾ —1⅜
BioB	.16 1.2	657	13½	13	13⅜ + ⅛
BioOTr		1151	2	1⅝	1 — ⅛
BindSy		572	9½	8¾	8¾ — ⅛
BinkCp		117	23¾	22¾	23⅛ + ⅛
BioLog		496	5¾	4½	5¼ + ⅛
BiMedc		2415	19	17¾	18 + ⅛
Biopen		8431	13¾	12	13 — ⅛
Biogen pf		24108	62⅜	55¾	56¾ +1⅛
Biomet s		4248	35¾	34½	34½ — ⅛
Biosph		135	5½	5	5 — ⅛
BiotcR		1594	5¾	4¾	5 — ⅛
BirTim		295	5	4¾	4¾
Birdinc		189	12½	12¼	12¼ + ⅛
Birtchr		166	2¾	2½	2½
BishGr		113	1¼	1⅛	1⅛ — ⅛
Blacki	.20e 3.2	39	10¾	9¾	9¾ — ⅛
Blair		2	3¾	3¾	3¾
BlisLau		23	7½	6¾	6¾ — ⅛
BlckD	.64b 1.8	452	36	35	36
BlkBgn		16	19	17½	17½
BoatBn	2.12 5.5	4340	39	37½	38¼ + ½
BobEvn	.36 1.7	2889	21¾	19¾	19¾ — 1⅛
Boppert		53	10¾	10	10
Boheme	.20b .9	4184	24	21¼	22½ +1¾
BomrIP		4445	10¾	10	10¾ + ⅛
BoolleB		504	14	13½	13½ — ⅛
BoonEl		17	4¾	4¾	4¾ — ⅛
BostAc		144	18	16½	18 +1½
BostBc	.40 3.3	2504	18½	17¾	18⅛ + ⅛
BshnDig		18	3¾	3¾	3¾ — ⅛
BsthFB	.72 5.8	484	12½	12	12¼ + ⅛
BwdBc	.48 5.1	207	22¾	21¾	22¾ + ⅛
BradRE	.68 5.4	114	12¾	12½	12½
BradyW	.36 1.0	29	36	32	36
BrcdCp	.36 3.0	2630	6¾	6¾	6¾
Brandyn		38	12	12	12
Braids		123	5	4¾	4¾
Brand		2366	25¾	23¾	24⅜ — 1⅛
Brenda	.12 1.5	220	9¼	7¾	7¾ — 1
BrndSv	.60 5.2	2	11½	11½	11½
Brenfg		1268	15¾	14¾	15 — ⅛
BrckTr		1	2	2	2
BrkTch		1218	1⅞	1¾	1¾ — ⅛
Bromptn	2.20 3.8	2517	57¾	55½	57½ +2
Bmar pf	4.32 9.1	41	47½	45½	47½ +2
CamBc	.62 3.8	149	16¾	16½	16¾
CmBc of		2	18	18	18 — ⅛
CmBsn s	.44 2.3	1104	20½	20¼	20¾ +2⅛
CmCity	1.40 2.7	1294	52	50½	51½ — ½
CmceBc	.10r .6	694	16¾	15¼	16⅜ + ⅛
CmBcSy		1305			¾
CmFdl		936	6	5½	5½ — ⅛
CmcINt		12	4⅜	4	4⅜ — ⅛
CmTek	.40 2.6	1866	25⅜	22¾	23¼ + ⅜
ComdE		2069			—
CwlBn	.84 4.9	67	17½	16¾	17⅛ — ⅛
CmCBNC	?	195	12¾	11½	11⅝ — ⅛
ComSy	.24 2.9	347	8¾	8½	8¾ + ⅛
ComTm		657	9¾	7¾	8½ + ⅛
CmtyBc	.10e 1.3	60	7¾	7¾	7½ + ⅛
CmtyBn	.72 9.0	139	9½	8	8
CmtyBS	.76 4.8	3716	15¾	15¾	16
CNBNY s		368	8¾	7¾	7¾ — ⅛
Commet		710	9½	9½	9½
CmpnSL		4715	9¼	8¾	8¾ + ⅛
Cmstrx		2005	5	4¾	4¾
Cmpch		951	11⅝	11	11
Cmpcm	.10e 1.3	4175	13¾	13	13⅜ +
CCTC		628	2¾	2¾	2¾ + ⅛
CptAut		678	3½	2¾	3
CmpDt	.12 .8	216	14½	14½	14⅝ — ⅛
CmpthH		6	7¾	7¾	7¾
Cmpltn		1063	7¾	7¼	7¼ — ⅛
CmsLR	.12 2.6	590	5¾	4¾	4¾ — ⅛
CmptM		939	1½	1½	1½ — ⅛
CmpPr		2053	2¾	2½	2¾
Comshr		6789	33	30¾	31¾ +1
CmshR		15041	2¾	1¾	2¾ — ⅛
CncdIS		2683	13¾	13	13½ — ⅛
CncdCm		1055	9¾	8½	8¾ — ⅛
ConcCC		1528	4¾	4½	4⅝ — ⅛
ConcDf		44	18½	17¾	17¾ — ⅛
ConcCm		3863	4¾	4½	4⅝
Condor		334	7¾	7½	7½
ConnTcs		106	1⅝	1⅜	1⅜ — ⅛
ConsHl		440	2	2	2 — ⅛
Conmed		217	6¼	6	6 — ⅛
Connanl		1533	24½	23	23⅜ — ⅛
ConnWr	1.56 7.6	47	21⅜	20½	20½ — ⅛
ConnPr		17146	13	11⅜	12¾ + ⅛
ConsHm		6183	12⅜	11¾	12⅛ + ⅛
ConFbr		31	5½	4¾	5¼ + ⅛
ConAmS		2860	39¾	36	36½ — ⅛
ConPap	1.20 2.9	7005	41¾	39¾	40¾ +1¼
ConsPd	.16b 1.4	410	11¾	11¼	11¾
ConsTom	.24 3.5	3	7	6¾	7 — ⅛
ContlBc	1.44 4.1	625	35½	34½	35¼ + ⅛
CONE	.30 1.8	66	17¼	16¾	17 — ⅛
Consul		3877	19¾	19¼	19¾
ContFn	.12 2.4	54	5¾	4¾	5
CnsFn	.56e 6.3	444	9	9	9
ContWat	1.84 8.8	759	17½	16¾	17¼ + ⅛
ContlCs		4060	23½	22¾	22¾ —2⅛
ContFn	.10 1.2	24	8¾	8¾	8¾
CnvHlth		1019	12	11	11¼ — ⅛
CnvrtT		206	3¾	3¾	3¾
CnvrgH	.88 3.1	126	28½	27½	28½ + ⅛
Coast		63	8	7¾	7¾ — ⅛
CstBcE	.44 3.3	1758	14¾	13¾	13¾ — ⅛
CstFn		1	1	1	1
CstFdn	.20e 3.4	379	9	8¾	8¾ — ⅛
CstFvn	.40 1.8	43	22	22	22 — ⅛
Cstmtx		1	1	1	1
Cstone		1	1	1	1
Cooker		3004	4¾	4¾	4¾ — ⅛
CooprD	!	602	5½	4¾	4¾ — ⅛
Cooper		1	1	1	1
Coorstk		1	1	1	1
Copart s	.50 2.1	8727	23¾	23¼	23½ + ⅛
Copytle		1010	12	11	11¼ — ⅛
Corcom		168	5¼	4¾	5¼
CordBl	1.68 3.4	1990	50	49½	49½ — ⅛
CoreSt	1.00e 9.1	256	11	10½	11 — ⅛
CrnrFn		305	16¼	15¾	16¼ + ⅛
Cornuco		403	11¼	10½	11 — ⅛
CoCoaH		7813	13	12	12½ + ⅛
CorpDt		1282	4¾	4⅝	4¾ + ⅛
CorpSft		572	14¼	13¾	13¾ — ⅛
CorpCp		1174	10	9¾	9¾ — ⅛
CosmFr		174	2¾	2¾	2¾
Cosmo		154	2¾	2½	2¾
Costar s		38	14½	13¾	14 — ⅛
Costco	.46e 4.2	5468	27¾	26¼	26¾
CostSv	.24 2.8	253	9	8¾	8¾ — ⅛
CrwSLt		4555	14	12¾	13¾ + ⅛
CrwnCrk		1600	9¾	9¼	9¼ —

FROM MICROWAVES

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TOSHIBA

EUROBONDS

Dollar Sector Blossoms On Rosy U.S. Scenario

By JOHN J. DUFFY
International Herald Tribune

PARIS — Signs of easing inflationary pressures and quickening growth in the U.S. economy sent the dollar soaring last week, giving a much-needed boost to the struggling Eurodollar bond market.

The government report Friday that U.S. producer prices fell 0.4 percent in July — the largest drop in three years — eased nagging concerns in international financial markets that the U.S. economy was drifting into a low-growth, high-inflation trap.

An accompanying report that retail sales jumped by 0.9 percent last month — following back-to-back declines in May and June — also reinforced the indications in the July employment data that the American economy, while slowing, is not teetering on the brink of a recession.

Growth and low inflation is just what the market was looking for.

"Growth with low inflation — that's just the message we we were looking for," one London-based Eurodollar bond trader said Friday after the U.S. data were released.

Traders said the dollar — which climbed from a low of 1.9150 Deutsche marks to a high of 1.9345 DM on Friday — may be poised to test a major resistance point at 1.95 DM in the weeks ahead. The U.S. unit closed in New York Friday at 1.9390 DM.

George Magnus, an international bond market analyst at Warburg Securities in London, said he expected the dollar to remain within its recent trading range of 1.88 DM to 1.95 DM for the near-term but to break sharply higher later this year.

"The market should look forward to much-improved U.S. current account figures and a U.S. inflation rate that is converging with its major trading partners," he said. "Both factors should boost the dollar."

An improvement in the U.S. current account is likely to stem from recent Commerce Department revisions to its data on net exports, Mr. Magnus said.

The U.S. inflation rate, meanwhile, should decline to about 4.5 percent later this year, he said — not far above West Germany's recent 3.5 percent-to-4 percent inflation range and the steady 3 percent inflation rate in Japan.

Economists said that last week's economic data should not change the Federal Reserve Board's bias toward lower short-term interest rates, although any dramatic moves — such as a cut in the 7 percent U.S. discount rate — will probably be put on hold.

"The inflation news will dominate short-term trading in the bond market and Fed policy," said Elliott Platt, senior vice president at Donaldson, Lufkin & Jenrette Securities Corp. in New York. He said the data on retail sales, which were inflated by rebate programs offered by U.S. automakers, will not completely remove the U.S. central bank's recession worries.

Mr. Platt said the federal funds rate — the rate banks charge each other for overnight loans and floor for all other short-term U.S. market rates — will decline to about 8.5 percent by early September from 8.9375 percent currently.

For the Eurobond market, dealers said the outlook for slow-but-steady U.S. growth, lower inflation, and possibly lower interest rates should make dollar-denominated assets more attractive for European retail and Japanese institutional investors.

The Eurodollar bond market was moribund last week as the Treasury's massive $29.5 billion refunding scarred away even the most respected corporate issuers.

Dealers said the 3-year and 10-year portions of the refunding drew a lukewarm reception from investors but the 30-year issue — buoyed by strong Japanese interest — sold very well. Dealers estimated that Japanese investors bought an estimated 40 percent of the $9.75 billion issue.

With so much competition for dollar-based investors, issuers in the Eurobond market concentrated on high-yielding currencies such as the Austalian dollar, the New Zealand dollar, and the British pound.

Dealers said that Australian dollar issues, offering interest rates of better than 15 percent for four-year maturities, are currently the most compelling. Although some investors remain cautious about the currency in advance of the release this week of the Australian budget, the view among dealers is that the unit is stable or can be hedged effectively.

Dealers said a 60 million Australian dollar offering by GMAC Australia Finance Ltd. proved very successful because it offered a generous 100 basis point yield spread above Australian government bonds.

In the New Zealand dollar market, Telecom Corp. of New Zealand Overseas Finance Ltd. brought a 75 million dollar issue with good success. The four-year issue was priced to 13.07 percent, or about 80 basis points more than New Zealand government bonds.

Carl Gewirtz is on vacation.

Merger Approved In Big 8

U.S. Partners Set Deloitte & Touche

Compiled by Our Staff From Dispatches

NEW YORK — Deloitte, Haskins & Sells and Touche Ross & Co., two of the Big Eight of U.S. accounting firms, said Sunday their American partners had approved a merger that will create a worldwide company with annual revenue of more than $4 billion this year.

The merger, first announced last month, followed an announcement in June that Ernst & Whinney and Arthur Young & Co. had voted to merge as of Oct. 1. In addition, two other top firms — Price Waterhouse & Co. and the biggest, Arthur Andersen & Co. — are discussing an amalgamation.

The merger announced Sunday will create a company with 20,000 employees and 1989 revenue of nearly $2 billion in the United States, where it will be known as Deloitte & Touche. Deloitte Ross Tohmatsu International, with operations in 101 countries, will have 65,000 employees.

Partners outside the United States are expected to approve the merger over the next several months.

In a statement, the chairmen of Deloitte and Touche Ross — the smallest of the Big Eight — said the U.S. partners of the two firms had approved the move at separate meetings in Dallas last week.

"The increased strength of the new firm in key European and Asian markets will enhance the resources available to meet our clients' needs as they respond to the economic unification of Europe targeted for 1992 and the opportunities in the Pacific Rim," Deloitte's chairman, J. Michael Cook, said in a statement.

"This positions Deloitte and Touche near the top of the heap, which is where neither one has ever been," said Arthur Bowman, editor of the Atlanta-based industry newsletter Bowman's Accounting

See MERGE, Page 13

A Giant That Still Must Grow

Nippon Life: Asset Rich, Poor in Investment Expertise

By Patrick L. Smith
International Herald Tribune

TOKYO — If only asset accumulation and sheer financial clout could be taken as measures of excellence, Nippon Life Insurance Co. would be virtually peerless among heavyweight institutional investors.

But as the conservative giant of the Japanese life insurers celebrates its 100th anniversary this summer, it is straining under the twin burdens of too little investment experience abroad and too few opportunities at home.

Nippon Life may be the 800-pound gorilla in any market it chooses to enter, industry analysts say, but these days it often finds that it simply cannot move with agility once it gets inside.

In the fiscal year that ended March 31, according to recently published industry rankings, Nippon Life's yield on assets sank to a paltry 6.4 percent, ranking it last among the "Big Five" life insurers in Japan. In a ratio that includes capital gains and losses, Nippon Life also came in last, with a yield of 6.72 percent.

Company executives and industry experts quickly point out that, given the complex accounting system used by Japanese life insurers, such ratings do not tell the whole story. But if Nippon Life's problems are shared by others in an industry that, for decades, had few investment choices to make, they are magnified simply because of the company's size.

"Asset growth has far outstripped our management expertise at this point — that's true especially in the international department," said Kozo Nogami, the general manager for foreign securities investment. "Wholesale investment is no longer enough. We should brace ourselves for more risks, and take them."

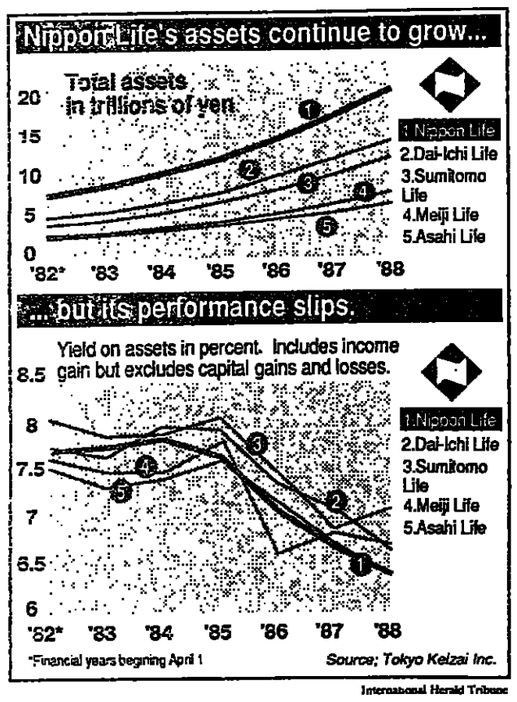
Even by Japanese standards, the company's growth in recent years has been phenomenal. Nissay, as Nippon Life likes to be known in the Japanese market, takes in an average of $150 million a day in new funds from insurance premiums, interest and dividend payments and other investment returns.

In the year to March 31, funds under management grew 18 percent, to an awesome 21.38 trillion yen ($152.7 billion), almost triple the assets Nippon Life reported in 1982 and nearly half again as much as those of Dai-Ichi Mutual Life Insurance, its nearest competitor among the Big Five (the others are Sumitomo Life, Meiji Mutual Life and Asahi Mutual Life).

Under the management of Kenichi Tatoh, head of Nippon Life's domestic investments, the company owns slightly more than 3 percent of the shares issued on the Tokyo Stock Exchange. With a book value of four trillion yen, the domestic equity portfolio is currently worth about 16 trillion yen, company executives estimate.

In overseas markets — including real estate and other fixed assets as well as securities — Nippon Life has expanded its investments almost 90 percent in the past four years, to just more than four trillion yen, or 19 percent of total investments. Among other things, in March 1987 it bought a 13 percent share in Shearson Lehman Brothers, the New York brokerage subsidiary

See NIPPON, Page 12



International Herald Tribune

Darman Wants Fed to Reduce Interest Rates

Agence France-Presse

WASHINGTON — Richard G. Darman, the U.S. government's budget director, called Sunday on the autonomous Federal Reserve Board to be more attentive to preventing a recession, and he indicated he wanted the central bank to push interest rates lower.

Speaking on NBC Television's "Meet The Press," Mr Darman, director of the Office of Management and Budget, said he was concerned that the central bank might have been too tight in its control of credit.

He said that the Fed's chairman, Alan Greenspan, its board and the Federal Open Market Committee, which decides the Fed's monetary policy, should be "more attentive to the need to avoid tipping this economy into recession."

He said, "I am fearful they may have been a little bit too concerned that things have been going well and that they may have been a little bit too tight. If we do have a recession, I think it will be because they erred on the side of caution."

Mr. Darman, asked if he was worried about the way the Fed had been responding, commented, "Insofar as we are concerned about recession we should all worry a little bit about about the Fed."

When asked whether he thought the Fed should bring down interest rates, he said, "That would be a fair conclusion."

"I think it is quite important that the Fed appreciate that growth is indeed fundamental to the health of this economy and that they not become obsessed with concern about things going well for too long."

Mr. Darman was speaking against a background of favorable economic data, with announcements Friday of an unexpected fall in U.S. wholesale prices and a rise of 0.9 percent in retail sales in July.

The figures helped send stocks surging in early trading on a buoyant Wall Street, though investors later had second thoughts, with the Dow Jones index of leading industrial shares closing down more than 28 points on the day.

The bond market similarly reacted with an early gain, then turned sharply lower on the view that the Fed would not cut rates.

Some economists, however, said the market data would allow the Fed to lower interest rates to avoid the danger of a recession and that banks could be expected to lower their rates in turn.

Bond Market Abandons Hope of Quick Easing

Compiled by Our Staff From Dispatches

NEW YORK — U.S. bond prices ended last week sharply lower as the market adopted the view that the Federal Reserve Board had decided not to push interest rates lower soon.

The market was whipsawed on Friday by speculation on the central bank's stance and by government economic reports.

For the week, the yield on 30-year Treasury bonds shot up to 8.86 percent from 8.08 percent a week earlier.

Before the market opened in New York, the government reported an unexpectedly sharp drop of 0.4 percent in wholesale prices in July, as measured by the Producer Price Index, and an equally surprising 0.9 percent surge in retail sales last month. It also revised upward retail sales data for June and May.

The fixed-income market initially focused on the Producer Price index, and bond prices jumped a full point," said Jonathan B. Greenspan, chief trader at Aegis Capital Management, "because it led many to believe that the deflationary import of the latest economic data would prompt the Fed to ease credit further."

But shortly before noon, the Fed entered the market to drain monetary reserves from the banking system. This helped prop up the federal funds rate, which is charged on overnight loans between banks. Fed funds were trading at 9 percent when the central bank took its action; they ended the week at about 8.9375 percent, compared with 8.875 percent the week before.

"By noon, the short end of the Treasury market was collapsing," said Mr. Greenspan. "Pension funds were among the more prominent sellers of the shorter maturities, but we suspect that many of them were moving assets out of the short end and into the longer paper, where the opportunity for price appreciation appears to be better."

"The economic trend is accelerating a little bit," said William Harnisch, chief investment officer of Forstmann Leff Associates, which sold out its bond positions after the economic statistics were released. He said that retail sales figures should strengthen and that the Producer Price Index would have been up but for the softer prices for cars, food and energy in July. Such factors argue for higher interest rates and thus against bonds.

Still, many economists are bullish on the market, especially now that the Treasury's quarterly refinancing operation is out of the way. The prospect of the $29.5 billion in new notes and bonds that were offered last week had weighed on the market.

Interest rates now should renew their downtrend, said Philip Braverman of BNY Securities Inc.

He said one problem on Friday

See EASE, Page 12

Magnet Financing Delayed by Industry Woes

Reuter

LONDON — Banking sources said a decision last week by Bankers Trust International Ltd. to postpone syndicating $490 million ($7.96 million) of debt for the management-led takeover of Magnet PLC was linked to the problems of another retailer.

Bankers Trust on Friday withdrew $300 million of senior debt financing and $190 million of subordinated loans that are being underwritten by a nine-bank syndicate.

"This move was deemed prudent in the light of various circumstances affecting the financing market, in particular the pursuit of better terms for borrowers," Bankers Trust said.

Bankers Trust executives, who would not comment further on the the withdrawal, said it would not affect the takeover of Magnet by DMWSL PLC, an acquiring entity formed by Magnet's directors.

Market demand for the Magnet transaction dwindled sharply two weeks ago, when news surfaced that MFI Furniture Group PLC, a British furniture retailer acquired by its managers from its former parent, ASDA-MFI Group PLC, in 1987, was encountering problems connected with high interest rates and a sharp drop in sales.

With interest rates in Britain at 14 percent, the highest they have been since January 1985, consumers who buy on credit have been squeezed.

The news about MFI led to concern among bankers over the Magnet deal due to a perceived similarity between the two companies, banking sources said.

A Magnet director said that DMWSL had acquired over 90 percent of Magnet shares and was seeking to acquire those still outstanding.

SAS Won't Make Bid for Chilean Unit

Reuters

SANTIAGO — Scandinavian Airlines System said yesterday it would not bid for a majority holding in the Chilean national airline Lan Chile, whose sale is to be announced next week.

But in a statement released in the Chilean capital, SAS said it was assisting a private Chilean company, Icarosan, in buying 51 percent of the state-owned airline, and it has an option to buy back in a year's time.

SAS, which made an unsuccessful bid for 40 percent of Aerolineas Argentinas, Argentina's national airline, earlier this year, has said it is seeking a "strategic partner" in South America as part of a global traffic system.

Air New Zealand has offered $40 million for Lan Chile in a 50-50 joint venture bid with the Chilean private Chilean company Cruzat-Larrain Group. A decision is expected this week on the sale.

SAS said it had helped Icarosan evaluate Lan Chile's assets and make a $42.5 million offer in bidding that closed July 21.

SAS also assisted Icarosan in obtaining a $29 million loan from Morgan Bank of New York to buy Lan Chile, the statement said.

SAS said whether it took up its option to buy into Lan Chile would depend on political and economic developments in Chile, where elections will be held in December. For the first time since the military seized power in 1973, Chile's opposition parties have opposed the privatization of the national airline before a democratic government takes office next March.

SAS is half-owned by the governments of Sweden, Norway and Denmark and holds a majority stake in the Chilean airline.

Separately, Icarosan said it has taken a 5 percent stake in Texas Air Corp., which owns Eastern Air Lines and Continental Airlines, and a 29.4 percent stake in Airlines of Britain Holdings, which owns British Midland Airways.

The chairman of SAS, Jan Carlzon, has said that the carrier is becoming an integrated travel company with interests in tourism, hotels, food and charters.

Last year, SAS invested almost a billion kroner ($155 million), half of it in aircraf..

Investment for this year is projected at 4.5 billion kroner.

KLM Says It Plans to Form a Link With Asian Carrier

Reuters

AMSTERDAM — KLM Royal Dutch Airways expects to conclude a strategic alliance with an Asian carrier later this year, the chairman, Jan de Soet, said in a Dutch radio interview on Sunday.

Mr. de Soet said he personally would take the seat on the board of [illegible] Airlines, the American carrier in which KLM obtained a [illegible] partner in Wings Holding Inc. Wings in [illegible] $1.9 billion takeover of NWA Inc., the parent of [illegible].

He said whether Singapore Airlines was a suitable candidate for [illegible] Mr. de Soet said Singapore Airlines was "an exceptionally interesting colleague and an outstanding competitor." But for cooperation, "you need two parties that both want the pact and have a [illegible] each of any of these conditions is not met you will not have a pact to adopt."

KLM is to take an equity stake in Sabena World Airlines of Belgium along with British Airways PLC.

SAVE & PROSPER
FAR EASTERN FUND S.A.

NOTICE IS HEREBY GIVEN THAT:

- Having regard to the net revenue deficit, the Directors have declared that no dividend can be paid for the year ended 30th June 1989.
- The Annual Ordinary Meeting of Shareholders will be held at [illegible] on 2nd October at 12 n. or for the following purposes:
  a. To receive and consider the Report of the Directors and the Financial statements for the year ended 30th June 1989
  b. To approve the aggregate rate of remuneration to be decided by the Directors
  c. To fix the number of and to elect Directors
  d. To approve the remuneration of the Directors.
  e. To transact any other business than Annual Ordinary Meeting of Shareholders.

By Order of the Board
PAMELA BY WHITE
Secretary

U.S. $500,000,000
The National Westminster Bank PLC
Primary Capital FRNs (Series "B")

In accordance with the provisions of the Notice, notice is hereby given that for the interest period from August 14, 1989 to February 14, 1990 the Rates and Copy, an Interest Rate of [illegible] per annum. The interest amount of the relevant interest [illegible] Feb. 14, 1990 against Coupon No. 10 will be [illegible] $5,000 and U.S. $10,000.

By: The Chase Manhattan Bank, N.A.
London Agent Bank

August 14, 1989

Currency Rates

Cross Rates

Aug. 11

	$	£	D.M.	F.F.	H.L.	Gldr.	S.F.	S.P.	Yen
Amsterdam	2.1735	3.4425	1.1274	0.3336	0.1563 *	—	5.306 *	1.3065	1.5394 *
Brussels(a)	40.3775	64.20	20.9345	6.1945	2.9096 *	18.567	—	24.262	0.2858
Frankfurt	1.9305	3.074	—	0.2959	0.1391 *	0.887	4.775 *	1.1597	1.3635 *
London (b)	1.5855	—	3.077	10.366	2.210.50	3.463	64.325	2.6525	224.49
Milan	1.237.00	2.259.20	719.40	212.22	—	638.15	34.371	634.07	9.803
New York(c)	—	1.5325 b	1.929	6.553	1.295.00	2.1875	40.62	1.474	141.95
Paris	6.519	10.256	3.3792	—	0.4698 *	2.998	0.1614	3.9147	4.596 *
Tokyo	140.00	220.66	72.41	21.72	0.1022	65.12	3.5122	85.26	—
Zurich	1.6425	2.5896	0.662	0.2554	0.1199 *	0.7661	4.1381 *	—	1.1746 *
1 ECU	1.0755	0.6799	2.0747	7.0109	1.492.78	2.3092	43.419	1.7905	152.19
1 SDR	1.2507	0.7911	2.4337	3.2102	1.749.49	2.74	50.5023	2.0952	176.492

*Closings in London, Tokyo and Zurich, firings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	615.00	Fin. markka	4.322	Mex. peso	2532.00	S. Afr. rand	2.7145
Austral. $	1.3075	Greek drac.	165.80	N. Zealand $	1.68	Soviet ruble*	0.6356
Austr. schil.	13.56	Hong Kong $	7.803	Nlg. naira*	5.2595	Span. peseta	120.40
Brazil cruz.	2.5391	Indian rupee	16.50	Norw. krone	7.037	Swed. krona	6.5420
Canadian $	1.1718	Indo. rupiah	1765.00	Phil. peso	20.78	Taiwan $	25.41
Chinese yuan*	3.7221	Irish £	0.7207	Port. escudo	160.60	Thai baht	25.63
Danish krone	7.476	Israeli shek.	1.97	Saudi riyal	3.749	Turkish lira	2140.41
Egypt. pound	2.5632	Kuwaiti dinar	0.294	Sing. $	1.947	UAE dirham	3.6701
		Malay. ringg.	2.6635	S. Kor. won	660.41	Venez. boliv.	36.80

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5939	1.5871	1.5803	Canadian dollar	1.1751	1.1785	1.1818
Japanese yen	140.12	139.76	139.40	Swiss franc	1.6475	1.6451	1.6429
Deutsche mark	1.9134	1.9106	1.9081				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, rival, dirham); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Aug. 11	Aug. 4	Ch'ge
DJ Indus.	2,683.99	2,653.45	+ 1.15 %
DJ Util.	217.56	219.18	— 0.28 %
DJ Trans.	1,413.03	1,250.00	+ 1.31 %
S & P 100	319.90	318.65	+ 0.39 %
S & P 500	344.74	342.92	+ 0.24 %
S & P Ind	394.28	393.14	+ 0.32 %
NYSE Co	192.27	191.64	+ 0.33 %
Britain			
FTSE 100	2,354.20	2,327.50	+ 1.15 %
FT 30	1,769.60	1,939.70	+ 1.54 %
Japan			
Nikkei 225	34,712.00	34,741.00	— 0.08 %
West Germany			
Commerzbk	1,984.90	1,957.50	+ 1.40 %
Hong Kong			
Hang Seng	2,613.39	2,579.07	+ 1.33 %
World			
MSCIP	549.70	545.40	+ 0.61 %

World Index From Morgan Stanley Capital Int'l

Money Rates

United States	Aug. 11	Aug. 4
Discount rate	7.00	7.00
Federal funds rate	8 15/16	8⅞
Prime rate	10½	10½
Japan		
Discount	3¼	3¼
Call money	5 9/32	5⅛
3-month interbank	5 5/16	5¼
West Germany		
Lombard	7.00	7.00
Call money	6.85	6.95
3-month interbank	6.95	6.95
Britain		
Bank base rate	14.00	14.00
Call money	13⅝	13 15/16
3-month interbank	13 13/16	13⅞

Gold	Aug. 11	Aug. 4	Ch'ge
London p.m. fix $	361.20	370.50	— 2.38 %

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

In re:
RICHARD D. SAVITSKY, Debtor. — Chapter 7, Case No. 88 B 11074 (CB)

In re:
INTUFLO ASSOCIATES, Debtor. — Chapter 7, Case No. 88 B 11073 (CB)

ALAN NISSELSON AND JOHN CAMPO, AS TRUSTEES, Plaintiffs, -against- RICHARD SAVITSKY, AVON CONSTRUCTION CORP., INTUFLO, INC., ROANOKE ASSOCIATES, 260-268 ELIZABETH STREET ASSOCIATES, THE INFORMATION FACTORY, INC., INTUFLO PROPERTIES, INC., INTUFLO THEATRICAL PRODUCTIONS, INTUFLO GLOBAL MARKETING SYSTEMS, INC., AND MARJORIE SAVITSKY, AND ALL OTHER ENTITIES IN WHICH SAVITSKY IS, OR WAS AT ANY TIME SINCE JANUARY 1983, EITHER A GENERAL PARTNER, OFFICER, DIRECTOR, OR A SHAREHOLDER OR WHICH WERE DIRECTLY OR INDIRECTLY CONTROLLED BY SAVITSKY, JACK FARBER, CELIA FARBER, RICHARD GELMAN, GARY GELMAN, COREY GELMAN, ADOLF REIDER, CAROLYN REIDER, ROBERT REIDER AND JANE DOE AND JOHN DOE, Defendants. — Adversary Proceeding No. 89-5968A

NOTICE OF SUMMONS AND COMPLAINT IN ADVERSARY PROCEEDING

PLEASE TAKE NOTICE that ALL PARTIES named in the above referenced caption or claiming an interest in the above-referenced entities ARE SUMMONED and required to submit a motion or answer to the complaint which is attached to this summons to the clerk of the bankruptcy court within 30 days after the date of issuance of this summons, except that the United States and its offices and agencies shall submit a motion or answer to the complaint within 35 days.

Address of Clerk:
United States Bankruptcy Court
1 Bowling Green
New York, New York 10004

At the same time, you must also serve a copy of the motion or answer upon the plaintiffs' attorneys.

Name and Address of Plaintiffs' Attorneys:
Alan Nisselson, Esq.; Brauner Baron Rosenzweig Kligler Sparber Bauman & Klein, 61 Broadway, 18th Floor, New York, New York 10006
John Campo, Esq.; LeBoeuf, Lamb, Leiby & MacRae, 520 Madison Avenue, New York, New York 10022

If you make a motion, your time to answer is governed by Bankruptcy Rule 7012.

YOU ARE NOTIFIED that a trial of the proceeding commenced by the filing of the complaint will be held on September 13, 1989 at 9:45 a.m. in Room 610-2 at the United States Bankruptcy Court, 1 Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that this is an action for (i) a declaratory judgment, pursuant to Section 541 of the Bankruptcy Code (the "Code") and Bankruptcy Rules 7001 (2) and (9), to determine the validity of an interest in property; (ii) judgment pursuant to Section 105 of the Code, Bankruptcy Rule 7070 requiring Richard Savitsky and Savitsky Controlled Entities to fully perform the requirements and acts under a court-approved settlement; and (iii) a permanent injunction, pursuant to Section 105 of the Code, Federal Rules of Civil Procedure 65 and Bankruptcy Rule 7065, forever enjoining defendants and others from interfering with such settlement.

Dated: New York, New York
July 20, 1989

BY ORDER OF THE COURT
/s/ Cornelius Blackshear
UNITED STATES BANKRUPTCY JUDGE

Turkey to Spur Its Capital Markets

Reuters

ANKARA — Turkey plans to introduce rating agencies and secondary bond trading to develop its capital markets, under legislation to be debated by parliament next month, Capital Markets' board chairman, Sukru Tekbas, said last week.

He said the draft was aimed at increasing public awareness of Turkey's fledgling capital markets, currently dominated by heavy government borrowing through Treasury bills and bonds.

The Capital Markets Board is looking at the possible introduction of a new stock exchange in the Aegean city of Izmir, Mr. Tekbas said.

He said the new law would allow companies to raise cash through capital markets by issues ranging from real-estate-based securities to gold certificates, provided the system was backed by rating agencies and clearing houses.

"Turkey's capital markets are young, and I see a good future. A couple of years ago, no company would come to the market to raise money, but things are changing now," he said.

Mr. Tekbas did not give details of the new types of securities planned or a timing for them to be fully operational.

At present few options exist for firms needing short-term finance through capital markets.

Of the most widely used commercial paper and bonds, bonds are less popular due to a minimum maturity of two years at a time of high inflation, currently an annual 72.4 percent.

On the expected introduction of rating agencies, Mr. Tekbas said, "They (companies) have to obey the rules. Everything has a price here, which they will have to pay by disclosure and auditing.

"We will also bring new regulations for companies that have limited resources and whose growth is dependent on external capital and borrowing," he said.

A few years ago, no company would come to the market to raise money. But things are changing now.

Borrowing from banks, a traditional financing method for most Turkish firms, has become expensive following inflation-linked rises in bank deposit rates.

Bank loans carry interest rates of 130 to 140 percent a year for corporate borrowers, compared with a 75 percent borrowing cost in the capital markets, Mr. Tekbas said.

Mr. Tekbas said there was reluctance by many companies, especially family owned companies, to sell shares to the public despite incentives to float them on Istanbul's Stock Exchange.

He said an incentive that cut 46 percent corporation tax to 30 percent provided firms opened a minimum 80 percent of shares to public ownership and had at least 200 shareholders owning less than one percent each, had failed to excite companies.

Only 650 companies out of a registered 35,000 were open to the public by the end of 1987, board officials said. More than 90 percent of Turkey's companies remain family firms.

Another reason holding back companies from floating shares is weakness of the Istanbul Stock Exchange, Turkey's only stock exchange, which reopened in 1986 after a 60-year break, he said.

Rising bank deposit rates and inflation, which some bankers believe may reach an annual 90 percent by year's end, are hampering development of the exchange.

The exchange index, at 719.28 on Wednesday, slumped to a low of 362 last October, compared with a high of 1,332 in mid-1987. Mr. Tekbas said higher turnover in Istanbul has increased confidence that Turkey should have additional stock exchanges.

"We are really thinking of having a stock exchange in Izmir but it will take time. If we decide today, it may take a year to open the doors to the public," he said.

Philippines and Banks Said To Be Making Debt Progress

Reuters

NEW YORK — The Philippines and the banks that are its major lenders may be within days of agreeing in principle on a debt financing package that would provide the country with a total of $1.5 billion in new loans and savings from debt buybacks, according to some of the bankers.

After just four days of negotiations, these bankers said, agreements have been struck on reducing the interest rate on new loans to 13/16 percentage point above Libor, the London interbank offered rate, and on refinancing $925 million in loans made in 1985.

"We should have an agreement in principle by early next week," said one banker who attended a negotiating session on Friday. The meetings were to resume Monday.

"We have resolved all but three issues, and on those issues we are not very far apart," this banker said, although declining to identify the issues.

Other bankers involved said that an agreement on the amount of new loans that will be provided had not been reached, but that probably $750 million or slightly more will be offered.

Additional savings will be provided through an auction at which the Philippines will be able to buy back debt voluntarily tendered in the secondary market by banks.

Philippine debt is currently trading at 52 cents to the dollar.

Bankers said the complete package would likely be worth about $1.5 billion. The Philippines entered the negotiations, which began last Tuesday, requesting $1.7 billion to meet a financing gap.

Bankers involved in the negotiations with the Philippines said these talks will yield a debt financing program very different from that won by Mexico on July 23 after three months of intensive negotiations.

"The end result for the Philippines will be much better than if we arranged a program like that for Mexico," said a banker involved in the talks. He said differences in the structure of the debt require a different approach.

Unlike Mexico, the Philippines' $7.1 billion of medium- and long-term commercial debt, which is the subject of the current talks, is only a quarter of its total debt of $28 billion. Mexico was negotiating on $54 billion of its commercial debt, more than half its total.

One banker said that if the terms of the Mexico agreement were applied to the Philippines, a saving of about $200 million a year would be provided, less than what is expected to be provided under the terms being negotiated.

In the case of Mexico, banks can provide new loans, can reduce existing debt by 35 percent or can cut the interest rate on existing debt to 6.25 percent from the current Libor rate plus 13/16 percent.

The rate on the new loans to the Philippines will be cut to 13/16 percent above Libor from the current rate of 7/8 percent above Libor.

■ Ecuador Seeks Reduction

President Rodrigo Borja Cevallos of Ecuador has told the National Congress that his government is seeking to negotiate an easing of the country's foreign debt and was looking at the possibility of debt reduction as one alternative, Reuters reported from Quito.

He did not specify the percentage of reduction that was being sought for Ecuador's $11 billion foreign debt, which includes $4.5 billion in medium- and long-term loans owed to 597 foreign banks.

■ Brazil Debt Study

A Brazilian congressional committee has released a study concluding that Brazil's foreign debt has increased by $25 billion over the last four years due to high interest rates and could not be paid, Reuters reported from Brasilia.

The study was the result of two years of research into Brazil's $112-billion foreign debt, the biggest in the Third World.

It said that between 1984 and 1988 Brazil paid $69.7 billion, or 62 percent, of its current foreign debt in interest and amortizations; that it had received only $28.5 billion in new loans during that time and that it could not continue to service a debt that has been inflated by high foreign interest rates.

Last year, Brazil paid $14 billion in debt servicing. This year servicing is expected to be about $10 billion.

■ Venezuelan Swaps

Venezuela's government has said that so far it has approved $398 million of debt-equity swaps as part of its plan to convert as much as $600 million of foreign debt this year, Reuters reported from Caracas.

The superintendent of foreign investments, Juan Carlos Pérez, said the government had received 67 requests from foreign investors to convert debt representing a total investment of $3.6 billion. However, he said, the government had set a ceiling of $600 million for debt-equity conversion this year.

New International Bond Issues

Compiled by Bassam Aoun

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Vitamin A	$37	1993	0.20	100.10	—	Over 6-month Libor. Noncallable. Fees 0.10%. Denominations $100,000. (Nippon Credit Int'l.)
FIXED-COUPON						
Banque Nationale de Paris	$50	1994	8⅝	101¾	—	Noncallable. Fungible with an existing $250 million issued July 13. Fees 2½%. (BNP Capital Markets.)
Electricite de France	$ 50	1999	9½	106⅝	—	Noncallable. Fungible with an existing $500 million originally issued Feb. 7. Fees 2%. (J.P. Morgan Securities.)
Agricultural Mortgage Corp.	£150	1994	11½	101.95	100.20	Noncallable. Fees 1⅞%. (Paribas Capital Markets.)
Deutsche Bank Finance	£100	1994	11	100½	99.10	Noncallable. Fungible with an existing £125 million issued January 3. Fees 1⅝%. (Baring Brothers & Co.)
GMAC Australia Finance	Aus$ 60	1993	15⅛	101½	100.55	Noncallable. Fees 1¼%. (Deutsche Bank Capital Markets.)
UBS Finance	Aus$ 75	1994	14	101⅜	98.375	Noncallable. Fees 2%. (UBS-Phillips & Drew.)
Australia & New Zealand Banking	NZ$ 60	1992	13¼	102	100.80	Noncallable. Fees 1½%. (Hambros Bank.)
Telecom Corp New Zealand	NZ$ 75	1993	13⅛	101.90	100.35	Noncallable. Fees 1⅜%. (Westpac Banking Corp.)
EQUITY-LINKED						
Asahi Breweries	$1,000.	1993	open	100	100.50	Coupon indicated at 4½%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set Aug. 17. (Nomura Int'l.)
Nippon Sanso	$400	1993	3¼	100	102.00	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 1,128 yen per share and at 140.45 yen per dollar. Fees 2½%. (Yamaichi Int'l Europe.)
Nisshin Steel Co. (Asia.)	$200	1993	3¼	100	104.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,610 yen per share. Fees 2½%. (Yamaichi Int'l, H.K.)
Nisshin Steel Co. (Europe.)	$400	1993	3¼	100	104.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,610 yen per share. Fees 2½%. (Nomura Int'l.)
Tokyu Car	$130	1993	3⅛	100	103.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,589 yen per share and at 140.45 yen per dollar. Fees 2½%. (Yamaichi Int'l Europe.)
Prima Meat Packers	DM 150	1994	1⅝	100	100.50	Noncallable. Each $5,000 note with five warrants exercisable into company's shares at 902 yen per share. Fees 2½%. (Commerzbank.)

Wall Street Review

NYSE Most Actives

Vol.	High	Low	Last	Chng.
CmpAss s	126531	19¾	16¾	17	—1¼
EKodak	103164	52	47⅛	50	+2⅜
AT&T	100997	40¾	39	39⅝	+1⅛
ParCom	99716	68	56½	61¼	+4½
IBM	96543	119⅜	116⅛	115½	—
GenEl	93803	59⅛	56¾	57⅝	+ ¾
PanAm	90752	4⅝	3⅝	4⅛	+ ⅜
AmchGl	88449	19⅛	17⅞	19¼	+1⅝
Amax	83101	28¼	26½	27⅝	+1⅛
UAL Cp	82446	257	195½	257	+62½
Exxon	79565	46⅛	45½	45⅝	—1⅛
BrlstMv	76983	48⅝	46¾	48½	+1
UCarb	75828	29¾	28⅝	28½	— ⅛
AMR	75748	71¼	69½	74½	+6½
McDnl s	75483	30¾	28⅝	28⅝	—1⅜
USX	75481	35⅞	34¾	35¼	+ ⅜
DowCh	72827	99½	94¼	98½	+5½
GMotr s	71167	45¾	44⅛	44⅝	+ ⅜
Upjohn	70005	37⅞	35¼	36½	+1⅝
Bevrly	68788	10	9⅞	9½	+1⅛
Unisys s	67379	22¼	21⅜	21¾	+ ⅜
FordM	62210	51½	49¾	50	+ ⅛
ConEd s	59561	28¼	26½	26⅝	+ ⅛
Marion	59187	36½	35⅝	36	— ¼
WalMrt	57518	43⅝	40¾	41	— ¼

AMEX Most Actives

Vol.	High	Low	Last	Chng.
WangB	95495	7⅜	5⅜	6⅜	+1
BAT	61613	14⅝	13¼	13½	— ⅛
TexAir	39261	17⅜	15⅞	16⅜	+1⅛
Amdhl	31873	15¾	14⅜	15	+ ⅛
EchoBy	31854	17	16	16	— ⅛
BairPn	18981	24⅝	22	23½	+ ⅛
Coram	18261	7⅝	7	7⅜	+ ⅛
FruitL	17429	13⅝	12⅜	13⅜	+ ⅛
ArWatn	17078	18½	17½	17⅝	
A-Ibm sc	16524	14⅜	13½	13¾	+1⅛
Atari	15341	9⅞	8½	9⅜	+1⅛
WDigitl	11316	10⅜	9	10	+ ⅝
Kirby	11247	8	7⅜	8	+ ⅛
MichStr	10717	10⅛	8⅝	10	+1
Telesph	10408	3½	3¼	3⅜	+ ⅛
ENSCO	9121	3¼	2⅞	3⅛	+ ⅛
FAusPr	8587	9⅝	8⅞	9⅛	+ ⅛
MaamC	8486	6½	6⅛	6⅜	+ ⅛
A-dow sc	7596	28⅝	26¾	26¾	+7
Hasbro	7473	22⅛	20¾	21½	+ ⅜
HerffEn	6903	2⅜	1⅜	2¼	+ ⅛
ICH	6847	6¼	5⅜	6	+ ⅛
A-ek sc	6511	19½	15	17¾	+2⅝
A-mo sc	6148	88	77½	84⅞	+5⅛
NY Tim	6049	32⅝	31½	32⅝	+1

NYSE Sales

	Sales Vol.
Total for week	1,094,030,000
Week ago	912,130,000
Year ago	900,420,000
Two years ago	1,114,270,000
Jan 1 to date	24,204,370,250
1988 to date	25,809,350,000
1987 to date	26,298,070,000

AMEX Sales

	Sales Vol.
Total for week	82,710,000
Week ago	66,820,000
Year ago	51,430,000
Jan 1 to date	1,863,500,000
1988 to date	1,612,360,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1065	1231
Declined	804	698
Unchanged	317	253
Total Issues	2186	2182
New Highs	492	596
New Lows	36	46

AMEX Diaries

	This Wk	Last Wk
Advanced	422	422
Declined	397	383
Unchanged	195	210
Total Issues	1096	1015
New Highs	107	112
New Lows	33	47

Argentine Goal: Debt Reduction

Reuters

BUENOS AIRES — Argentina will seek a reduction of capital and interest rates on its $60 billion foreign debt, the Argentine Central Bank president said over the weekend.

Argentina will seek "a reduction of the debt, lower interest rates and we will use a capitalization mechanism" for privatizations, said Javier Gonzalez Fraga, the central bank president, in a Saturday interview with Pagina 12, a leftist daily.

The country last week said it was about $4.4 billion in arrears. It stopped servicing most of its debt in April 1988 and has since been virtually cut off from funding. It is now seeking aid from the International Monetary Fund, said Mr. Gonzalez Fraga, which would be used for repayments.

EASE: *Hopes Fade*

(Continued from first finance page)

was an erroneous report out of the central bank. "As if the market wasn't confused enough, a Fed staffer, acting on his own, told a wire service reporter that, in effect, the Fed saw no need to ease further because the economy wasn't weak or faltering," he said.

"But that is not a valid assessment of Fed thinking or of market direction," he contended.

The direction of the fixed-income market, Mr. Braverman emphasized, "is still positive."

"Interest rates are going lower with inflation, and the economy is far from robust," he said. "Incentives may move cars and inventory liquidations at cut-rate prices may also stimulate retail sales, but these factors do not speak of a strengthening economy."

Mr. Braverman attributed the Fed's move to drain reserves as largely technical.

Similarly, said John Lonski, economist at Moody's Investors Service, "We believe today's wide swings were exaggerations."

Some analysts, however, maintained the Fed was not likely to ease its credit policy soon.

"Greatly diminished recession risks have eliminated a major reason for monetary policymakers to contemplate any immediate further easing," said Richard Berner in Salomon Brothers Inc.'s "Comments on Credit."

(NYT, Reuters, UPI)

Bond Slide a Roadblock To Wall Street Record

Reuters

NEW YORK — Despite a sharp reversal caused by a bond market slump on Friday, the Dow Jones industrial average is poised for a run to record highs.

The Dow industrial average, spurred by a favorable economic growth outlook, briefly hovered on Friday more than 10 points above its closing record of 2,722.42 points of Aug. 25, 1987.

But a sharp drop in Treasury bond prices and related fears of interest rate problems, along with a late-afternoon rush of program-directed selling, knocked the Dow 50 points from its mid-session highs.

"They dangled the candy and took it away," said Dennis Jarrett, technical market analyst at Kidder, Peabody & Co.

The Dow, a weighted index of 30 major industrial and service companies, then closed at 2,683.99 points, down 28.64 points from the day's high. But for the week as a whole, the gauge was up 30.54 points.

The Dow's tantalizing reach for new highs and its inability to retain them at the close prompted a few second thoughts.

Some investors will interpret a new closing high for the Dow as confirming a bull market trend, said David Bostian, president of Bostian Research Associates.

These followers of the so-called Dow Theory believe a major trend in the stock market must be confirmed by similar movements in the Dow Jones industrial and transport averages.

Noting the prominent role takeover issues, both real and rumored, have played in the market's recent performance, Trude Latimer, vice president at Josephthal and Co., said investor Marvin Davis' $5.4 billion bid for UAL Corp. had "greatly contributed to the atmosphere that has kept interest in the market going."

The spectacular $92 gain in shares of UAL, the parent company of United Airlines, spurred the Dow Jones transportation stocks average to four straight closing records this week.

This average ended at 1,413.23 points on Friday, down 6.40 points on the day, but up an astonishing 163.23 for the week.

Despite the attention that market-watchers pay to the popular Dow index, Mr. Bostian noted that the Standard & Poor's 500-stock index, "a more valid market benchmark," and indexes of secondary and tertiary stocks had already reached new highs.

The nagging question now is whether the stock market's rise has put it in a stratosphere unlinked to economic realities.

"The bottom line is that the market can go higher but that we're in a very high-risk environment, and risk-averse customers should be cautious," Mr. Bostian said.

Battered Peru Facing Miners Strike

Reuters

LIMA — Peru's 70,000 miners, many earning less than $2 a week, plan to start an indefinite strike Monday that could cripple the country's key industry.

The miners strike for better wages is the latest in a wave of labor strife facing President Alan Garcia Pérez, already grappling with a leftist guerrilla insurgency in which 15,000 people have been killed this decade.

Metals like copper, lead and zinc account for nearly half of Peru's export earnings. Two strikes by the 70,000-member Miners' Federation last year started slowly but grew to devastate Peru's exports.

The miners' demands are basically the same as last year's: wider collective bargaining rights and better wages and benefits — but, the miners say, their economic plight has worsened.

"The weekly wage for many miners is less than the price of a kilo of meat, a union official said. "We earn barely enough to subsist."

Officials of the mining companies concede that wages are low, but say that most companies provide free housing, schools and health care for miners in their remote Andean villages.

Many companies have offered generous bonuses for workers who ignore the strike. Company executives said they expect the strike to draw moderate support in its first days.

Strikes are spreading at a time when Peru's battered economy, after a modest recovery in June and July, appears to be faltering again.

Doctors, refuse collectors, bank workers and court clerks have stopped work this month to demand that the government step in to bring wages in line with four-digit annual inflation. Other sectors have called strikes for later this month.

Collapse of Oil Price Rally Creates Pressure for Slide

Reuters

NEW YORK — The collapse of a week-long rally in crude oil futures on the New York Mercantile Exchange may lead to further price declines when trading resumes Monday, according to traders.

The September contract for West Texas intermediate crude, the benchmark U.S. grade, fell 11 cents a barrel to $18.48 late Friday after rising most of the day.

"Failure to break out above $19 for September crude may weigh that contract back to $18.25 or so," said Cindy Williams of Stotler & Co.

The September contract had gained 45 cents for the week following a buying spree overseas in Brent crude that was spurred by refiners' fears of tightening supplies for the North Sea oil.

Short covering after a 60-cent to $1 price rise for a barrel of Brent fueled much of the gains in West Texas intermediate crude, other analysts said. North Sea crude prices rose about a dollar a barrel during the week to $17.25 for August.

Also helping to firm the price of Brent was the news that the loading in late August of some cargoes at the Shetland Islands' Sullom Voe terminal likely would be delayed for operational reasons until September, market sources in europe said.

But supplies of U.S. crude remain ample and threaten to undermine further futures price gains.

The American Petroleum Institute's weekly report on U.S. stocks showed an overall increase of 3.4 million barrels in crude oil inventories, to 333.5 million, for the week ended Aug. 4.

The Energy Department put crude stocks for the same period at an even higher 335 million barrels.

NIPPON: *Rich in Assets but Poor in Expertise, the Giant Must Diversify*

(Continued from first finance page)

of American Express, for $530 million.

That stake is central to Nippon Life's effort to mature as an investor, both at home and abroad. But, Mr. Nogami estimated, that will be five years before Nippon acquires the expertise it needs to operate in increasingly diversified and sophisticated financial markets.

"By the mid-1990s we should have a better trained, more sophisticated staff," Mr. Nogami said. "We're midway in a process, although we should have started it earlier than we did."

At home, Nippon Life's problems are the same as they have always been, only growing more acute. In the low interest-rate environment that has prevailed in Japan for the past decade, yields on assets for all of the Big Five have drifted slowly but steadily downward.

That is chiefly a reflection of the industry's traditional reliance on highly conservative financial instruments. Now insurers are caught in a bind: With assets growing quickly as the nation's population ages, they face increased competition as financial markets deregulate and the long-established walls protecting various kinds of financial institutions come down.

And as life insurance becomes an investment vehicle in its own right, instruments such as variable life policies have put still more pressure on the insurers to boost yields. At the same time, financial markets are not developing alternatives quickly enough to expand opportunities for companies the size of the life insurers.

Nippon Life, for instance, is the second-ranked investor in Japan's admittedly tame venture-capital industry, topped only by Jafco Ltd., a subsidiary of Nomura Securities Co. But the 30 billion yen Nippon Life has invested in 300 budding Japanese companies is a piddling sum compared with the new funds for which it must find a parking place.

Similarly, the recent opening of options and futures markets in Japan is of obvious interest to investors such as Nippon Life. But its portfolio managers, analysts say, are too hard-headed to recognize them as anything more than a long-term possibility.

For now, Nippon Life's domestic strategy amounts to simply buying the Japanese economy, as Mr. Tatoh put it. Not surprisingly, a graph tracking the performance of Nissay's investments in domestic equities — which consistently account for 20 percent of new funds — is barely distinguishable from one showing the Topix index, the Tokyo market's broadest-based measure.

"If we wanted to hedge or arbitrage in Japan, it could involve only a small amount of our funds," Mr. Tatoh said. "With less money we'd have more choices, but how can we be 'aggressive' under the circumstances? We just don't have any alternatives."

The problems on the foreign side are just the opposite. The industry's first major move overseas, into U.S. Treasury bonds and notes in the 1970s, seemed simple enough until the yen began to rise in late 1985. The $30 billion in exchange-rate losses that resulted — none of those funds was hedged, and Tokyo bars insurers from raising dollars in the Euromarkets to avoid such losses — amounted to a stinging lesson in how much Japanese investors had to learn.

Critics of Nippon Life suggest that the Shearson acquisition, although essential to Nippon's development, is nonetheless symptomatic of misjudgments overseas. For the $41.50 a share paid in 1987, they say — Shearson Lehman Hutton Inc. closed Friday at $22.375 on the New York Stock Exchange — the insurer gets three-month training facilities for two dozen young managers each year and not a great deal more.

That is not strictly true. Nissay has invested $250 million in a leveraged buyout fund managed by Shearson and worth $1.35 billion, putting it in the forefront of a trend among Japanese insurers to participate in the American LBO market.

Industry experts also fault Nissay for lagging in its diversification away from dollar-denominated investments, specifically in European markets. Such failings are often put at the doorstep of Gentaro Kawase, Nippon Life's outgoing president and a man described within the company as risk-adverse even by Nissay's conservative standards.

Mr. Nogami, along with many other industry experts, rejects many of these arguments even as he acknowledges the company's difficulties. The chief problem with Shearson, Mr. Nogami said, was that too many of those sent for training in Shearson's New York offices are put into other operations when they return to Tokyo.

'By the mid-1990s we should have a better trained, more sophisticated staff. We're midway in a process, although we should have started it earlier than we did.'

Kozo Nogami, Nippon's general manager for foreign securities investment.

"On an international basis the Japanese insurers have been historically low on the learning curve in terms of modern investment theory," said Weston Hicks, who tracks the Big Five for Moody's Investor Services in New York. "But they're aware of the difficulties they face, and they're making the right moves."

As to diversification, the quick move by other insurers into European currencies was not properly timed anyway, according to Mr. Nogami, who served in the United States until taking charge of the foreign side in Tokyo last year. In this respect, the markets have vindicated Mr. Nogami, although he has recently taken sizable minority stakes in such European companies as Club Méditerranée and Bouygues SA in France and the Finnish bank Kansallis-Osake-Pankki.

"We want to invest as knowledgeable insiders," he said. "The best way to do that is to take positions in the major players in any given market."

That will become increasingly important in coming years, as pressure builds to boost yields and as expanding assets make portfolio managers feel as if domestic markets are coming to resemble a straitjacket. And while Mr. Nogami maintains that a solid investment team is five years away, new hiring practices over the past few years have already given him a relatively youthful group of managers.

In the fiscal year ending next March 31, he said, Nippon Life would be happy to achieve a yield on assets of 6.5 percent, which would at least reverse the downward trend of the 1980s. But, like other executives, he objects that such ratings offer only a superficial view of comparative performances.

Because consumers use the industry rankings to shop for insurance, all life insurers tend to apply accounting practices that transform capital gains into income, thus raising the yield they can report. Nippon Life does it less, industry experts say, because each such shift represents a corresponding capital loss.

Nor do the ratings recognize unrealized profits in either shares or real estate, since investments are accounted for according to a method known as "lower of cost or market value." At Nippon Life, for instance, unrealized profit in the equity market is estimated at 270 percent of cost, a ratio bested only by Meiji Life, which has large positions in Mitsubishi group companies, with which it has long been associated.

But even if Nippon Life is no worse off than other insurers, there is hope within the company that the imminent replacement of Mr. Kawase as president by Josei Ito, a much younger executive, will breathe new life into the company's investment strategies. Eventually, industry experts said, Nissay and others will probably consider breaking up into separate operating companies to improve efficiency.

"It is not out of fear that we cannot manage our assets, that we are taking new steps," said Tomohiro Kawase, the senior manager in Nippon Life's finance and investment planning office. "We're trying to expand our spheres of activity. It's not a quantity question, but a quality question. The aim is to become a fully fledged financial institution."

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Euromarts At a Glance

Eurobond Yields

	Aug. 9	Aug. 2
U.S. $, 8 yrs & over	8.81	8.67
U.S. $, 5 to 7 yrs	8.80	8.58
U.S. $, less than 5 yrs	8.44	8.40
Pounds sterling, less than 5 yrs	11.51	11.65
French francs, less than 5 yrs	8.86	8.85
Ital. lire, less than 5 yrs	11.50	11.55
Danish krone, less than 5 yrs	9.49	9.36
ECU, 8 yrs & over	8.55	8.45
ECU, 5 to 7 yrs	8.46	8.41
Can. $, less than 5 yrs	10.11	10.00
Aus. $, less than 5 yrs	15.97	15.92
N.Z. $, less than 5 yrs	13.33	13.68
Yen, 5 to 7 yrs	5.48	5.48
Yen, less than 5 yrs	5.26	5.27

Source: Luxembourg Stock Exchange.

Weekly Sales *Aug. 11*

Primary Market	Cedel		Euroclear	
	$	Nons	$	Nons
Straights	70.60	738.00	757.40	1,200.10
Convert.	11.20	—	28.80	—
FRNs	20.00	82.80	—	36.00
ECP	1,288.50	1,579.30	6,966.80	7,255.00
Total	1,390.30	2,400.10	7,753.00	3,491.10

Secondary Market	Cedel		Euroclear	
	$	Nons	$	Nons
Straights	5,565.30	10,282.00	14,224.00	9,238.60
Convert.	214.40	728.30	1,209.60	745.80
FRNs	1,081.10	1,275.20	6,180.10	2,719.50
ECP	1,825.50	2,363.30	3,057.70	2,131.70
Total	8,686.10	14,648.80	24,771.40	14,835.60

Source: Euroclear, Cedel.

Libor Rates *Aug. 11*

	1-month	3-month	6-month
U.S. $	8 15/16	8¾	8 9/16
Deutsche mark	7	7	7
Pound sterling	13 15/16	13 15/16	13¾
French franc	9 1/16	9	9
ECU	9¼	9 5/16	9 5/16
Yen	5 7/16	5½	5½

Source: Morgan Guaranty, Lloyds Bank, Reuters.

Treasury Bonds

Aug. 11

Maturity	Close Bid	Ask	Yield	Wk-ago yield
31.07.91	99 6/32	99 11/32	8.13	7.39
15.08.92	102 18/32	102 17/32	7.05	7.97
30.06.93	100 5/32	100 7/32	8.06	7.90
15.08.94	102 5/32	102 7/32	8.08	7.93
15.07.96	98 28/32	98 30/32	8.08	7.94
15.08.99	99 14/32	99 16/32	8.08	7.99
15.02.06	111 14/32	111 16/32	8.10	8.12
15.02.19	100 3/32	100 5/32	8.86	8.08

Source: Salomon Inc.

U.S. Consumer Rates *Aug. 11*

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.26 %
Money Market Funds	
Donoghue's 7-Day Average	6.68 %
Bank Money Market Accounts	
Bank Rate Monitor Index	6.37 %
Home Mortgage, FHLB average	9.56 %

Source : New York Times.

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

Prices rose to an all-time high last week, with the CBS index closing at 206.0, up from 203.7 the previous week.

The market was boosted early last week by good half-year results posted by the Dutch multinationals Philips, Royal Dutch and Unilever, although profit-taking later in the week reversed the trend.

The Kempen & Co. brokerage said the mood would be little changed this week, with the latest U.S. economic data indicating a gentle slowdown in growth.

Half-year corporate results still to be announced are expected to indicate strong earnings growth in most sectors.

Frankfurt

FRANKFURT — Prices rose last week, propelling the DAX-30 index to its highest level on record. The gauge closed at 1,608.60 points Friday, up 18.30 points from the previous week.

The Commerzbank index gained 27.4 points, to 1,984.9.

Volume totaled 35.01 billion Deutsche marks, down from 37.09 billion DM the previous week.

Automotive issues came back into demand after several weeks of irregular trading, with investor interest stimulated by good half-year results posted by Volkswagen, which gained 17.90 marks, BMW, up 16 marks, and Daimler-Benz, which advanced 10.50 marks.

Pharmaceuticals were firm, but failed to equal their performance last week. Bayer did best, but gained only three marks over the week despite demand from Japanese investors.

Bank shares were mediocre despite the general upward trend. Commerzbank was unchanged, Dresdner Bank lost 1.30 marks and Deutsche Bank slipped five marks.

Hong Kong

HONG KONG — The Hong Kong stock market was higher last week, though trading sentiment was cautious.

The Hang Seng Index gained a solid 34.32 points, to close at 2,613.39 Friday. The barometer index gained 52.32 points the previous week in see-saw trading.

The broader-based Hong Kong Index advanced 24.14 points last week, to finish at 1,725.10, compared with a gain of 34.43 points the previous week.

Average daily turnover shrank to 1.07 billion Hong Kong dollars from 1.40 billion.

The index fell Monday as investors were jittery over reports that the Chinese leader, Deng Xiaoping, was critically ill, despite official denials. The market then rebounded, although there was profit-taking on Thursday. Hong Kong is due to revert to Chinese rule in 1997, and the local bourse is extremely sensitive to political events across the border.

London

LONDON — The market added to its recent string of weekly advances, which has been unbroken since the end of June.

Encouraging British retail sales data and a forecast of a "soft landing" for the British economy from the Confederation of British Industry helped sentiment, and takeover news also helped momentum, although profit-taking eroded some gains.

The Financial Times 100-stock index finished 26.7 points higher, at 2,354.2.

The publication of June retail sales figures, showing a cutback in consumer spending, boosted all sectors except distribution.

Consolidated Gold Fields firmed after Hanson's £3.5 billion bid was declared unconditional, with Hanson holding 57.3 percent of ConsGold stock.

BAT was boosted mid-week when Sir James Goldsmith's takeover vehicle Hoylake issued its official offer document for the mammoth £13.5 billion for the tobacco and financial services conglomerate. But the company's gains were stripped away Friday as the bid ran into political opposition in the United States.

On Friday, BTR's share price soared after U.S. buyout specialists Kohlberg, Kravis, Roberts & Co. sought permission to buy 15 percent of the British concern.

Shell and BP both climbed on good half-year results, but Commercial Union lost ground after releasing a larger than expected fall in interim profits.

Milan

Stocks firmed last week, although the market marked a slight pause after eight weeks of unbroken strong rises.

Investors moved cautiously after the government said it would not decide on possible austerity measures to trim the budget deficit and curb inflation until next month.

The MIB index closed 0.85 percent firmer, at 1,183, while the Comit index edged up by 0.82 percent, to 702.77 points, breaching 700 points for the first time since the October 1987 stock collapse.

Daily volume averaged 319 billion lire, up from 310 billion lire the previous week.

Threats by trade unions to call a general strike if the government cut spending rather than raising taxes also contributed to uncertainty about government policy, analysts said.

Montedison gained 4.62 percent last week, and most shares of companies in the Ferruzzi group also advanced as the group launched a takeover bid for its U.S. subsidiaries Himont and Erbamont.

But several key shares weakened, including Fiat, which lost 0.19 percent over the week, CIR, down 0.77 percent, Generali, which finished 0.59 percent weaker, Olivetti, 0.59 percent lower, and Pirelli, down 1.49 percent.

Paris

Favorable international economic indicators pushed prices to an all-time high last week as the SBF index hit 508.3 on Thursday, its fourth record in two weeks.

The gauge finished the week at 507.2, up from 504.8 the previous week, as a wave of takeover bids in New York and London jolted the Paris market out of its summer lethargy. Volume, however, remained low because of the vacation season.

U.S. investors, many of whom are planning to pump some of their cash into Europe, according to the James Capel brokerage, showed interest in Paris as the franc remains firm and French companies post earnings increases.

British investors are very interested in French financial securities, several analysts said here, because they are "the cheapest in the sector in the international market."

The financial company Suez gave the market a boost by launching an offensive on the Victoire insurance group with a $3.01 billion bid for Compagnie Industrielle, Victoire's key shareholder.

Suez's share price fell immediately after the bid, but later rose to 380 francs, only two francs under the record high it reached the previous week.

Singapore

SINGAPORE — Prices hit a post-collapse high last week as investors went on a buying spree.

The key Straits Times industrial index rose a hefty 18.1 points Thursday, to 1,379.86, its best level since the October 1987 debacle, due to widespread buying by foreign, institutional and retail investors.

Prices fell back Friday due to profit-taking and the lack of follow-through support, with the Straits Times index closing at 1,377.40, a gain of 28.22 points over the week, and the SES all-share index at 365.17, up 8.00 points.

Volume fell to 412.7 million units valued at 748.1 million Singapore dollars from 554.3 million units worth 949.1 million dollars.

Activity was centered on lower-priced issues and Malaysian speculative stocks, but blue chips also performed well, posting double-digit gains.

Tokyo

Prices were mixed as holiday lethargy struck the market toward the end of last week.

The Japanese parliament's election of Toshiki Kaifu as prime minister and his appointment of an entirely new cabinet had little impact on the market.

The Nikkei Stock Average ended at 34,712.96 yen, down 29.03, after losing 36.36 the week before. The broader Tokyo Price Index closed at 2,638.20 points, up 24.93, after hitting a record 2,643.91 Wednesday and gaining 6.66 previously.

Volume rose from a daily average of 500.13 million shares to 500.35 million, while the value of stocks traded climbed from an average of 1.002 trillion yen to 1.047 trillion.

"The sporadic market we've seen this week is likely to continue next week," one trader said. "But the environment is still healthy, and the market will come to life after the annual summer vacation week is over."

High-technology issues fared well. Sony soared from 7,980 a week earlier to a record 8,840, while Hitachi jumped from 1,590 yen to 1,700.

Banks and automobiles also rose, with Sumitomo climbing from 3,750 yen to 3,950 and Toyota from 2,540 yen to 2,640.

But Nippon Telegraph & Telephone declined from 1.65 million yen to 1.63 million.

Zurich

ZURICH — Prices rose to an all-time high last week, with the Swiss index closing at 1,214.75 points, beating the previous mark of 1,206.2 points, which was set on Oct. 5, 1987, a few days before the worldwide stock price collapse.

The Crédit Suisse index rose to 671.2 from 647.3 the previous week, while the Swiss Bank Corp. indicator advanced to 706.5 from 687.1.

Trading was heavy, brokers said. The trend should continue this week, they added, as the market was still very fluid.

All sectors performed well, with food companies Néstle and Jacobs Suchard posting substantial gains. Néstle bearer stock closed 170 Swiss francs higher, at 8,750 francs, and Jacobs-Suchard bearer up 290 francs, at 7,590.

Union Bank of Switzerland, which said it had acquired a controlling stake in Nissan U.K., rose 105 francs, to 3,990, and Crédit Suisse closed 45 francs higher, at 2,835.

Pharmaceuticals continued to put in a strong performance, with Ciba-Geigy bearer up 305 francs, at 3,665, and Sandoz bearer 650 francs higher, to 12,425.

To Our Readers

The weekly options tables were unavailable because of technical difficulties.

Time-Warner: The Corporate Courtship

By Geraldine Fabrikant

New York Times Service

NEW YORK — It was a merger billed as a model of compatibility: Time-Warner, the company forged by combining Time Inc. and Warner Communications Inc. Synergy — that buzzword of mergers and acquisitions — would create a global media giant for the 21st century.

A merger with any other suitor, such as Paramount Communications Inc., was deemed unthinkable.

But court documents obtained show that some Time directors worried greatly about the differences between Warner's corporate culture and Time's own — especially as it was embodied in the contract of Steven J. Ross, Warner's chairman.

Mr. Ross is estimated to be able to gain up to $120 million in salary, bonuses and long-term compensation over the next 10 years as a result of the Time deal.

His salary, and salary levels generally in the entertainment industry, was "basically a cultural shock to the board," one Time director said in an affidavit.

Indeed, in the two years it was courting Warner, Time continually eyed other prospects, including Capital Cities-ABC. Once, a high-level executive recommended Paramount, the suitor ultimately fended off in court, as the most attractive merger partner after Warner.

And Martin S. Davis, Paramount's chairman, even had discussions with Time about a merger — the same Martin Davis later described by a Time executive in court documents, when the companies were locked in battle, as an "unimaginative CEO" and "primarily a public-relations technician."

The documents — hand-written notes, memorandums, affidavits and depositions — were filed in a Delaware court as part of an unsuccessful lawsuit brought by Paramount to stop the Time-Warner deal. They provide a glimpse of how executives' personalities and their desire to retain corporate power can shape, or scuttle, a deal.

The Time-Warner deal has its roots in talks the companies held more than two years ago about a joint venture that would have involved both companies' cable operations, Warner's film studio, Home Box Office (Time Inc.'s pay-TV movie service) and even some stock, so that "we would have an interest in each other," Mr. Ross testified.

It never came off. But "eventually, officials of Time and WCI began to believe that a complete combination of the two companies might be even more desirable than the joint venture," J. Richard Munro, Time's chairman and chief executive, said in an affidavit.

One of those officials at Time was Gerald Levin, vice chairman, who also wanted to include Turner Broadcasting System in the deal.

In a memo dated Aug. 11, 1987 — addressed to Mr. Munro, Nicholas J. Nicholas Jr., Time's president, and Thayer Bigelow, the chief financial officer — Mr. Levin recommended that Time should bring about a "strategic consolidation of Time, Warner and TBS." That would result, he said, in "a complete world-class entertainment and publishing giant."

But although Time and Warner each already had a stake in Turner Broadcasting, Mr. Levin worried that it would be tough to "buy out the cable consortium."

He also noted the delicate relationship with another of Turner's stockholders, Tele-Communications Inc., a major distributor of HBO. Mr. Levin wrote that, in snapping up Turner, it would be hard to "share as little ownership as possible" with Tele-Communications' chairman, John Malone, "but keep him engaged to us."

Mr. Levin's memo also named Paramount, then called Gulf & Western, as a possible partner to contemplate. "If Warner is not doable, then the only other entertainment option I think we should explore would be G&W," he wrote.

Time began to focus on Warner, and in his memo Mr. Levin wrote, "In my view, the principal issue is Steve. Can we work with him, can we communicate comfortably?"

The memo described Mr. Ross as a "workaholic," and went on: "His lifestyle is sumptuous, his perks lavish, his contract large and long. He has had health problems and is on his third marriage."

Still, Mr. Levin gave Mr. Ross high marks as "making sound, often brilliant transactions."

The issue of management rapport was crucial for Time. Mr. Levin's memo refers to some earlier merger discussions with Gannett Inc., whose chief executive, Allen H. Neuharth, apparently failed to establish the rapport that Time's management felt necessary.

A good product fit was important, too, as Time looked around for partners. In an affidavit, Mack Rosoff, a managing partner at Wasserstein Perella & Co., one of Time's investment bankers, said that between May and July of 1988 "we proceeded to identify and evaluate a wide range of strategic acquisitions. Among other alternatives, we evaluated each company that owned a major motion picture studio, including Warner and Paramount."

When Time's board began discussing a merger with Warner, in the summer of 1988, some directors expressed their own worries about rapport and style. Mr. Munro took handwritten notes on the board's reactions, and they show that Arthur Temple, chairman of Temple-Inland, was particularly dismayed.

The notes show that Henry Goodrich, a Time director, told Mr. Munro that "Arthur feels Warner is simply beneath us."

Meanwhile, the merger talks broke down on Aug. 11, 1988. Mr. Ross, in his deposition, attributed the problem to "paranoia" on the part of Time's board and said he was "increasingly getting the feeling that the Time board was uncomfortable with the concept of co-CEOs and chairman, but especially co-CEOs."

In the planned merged company, Mr. Ross would initially be co-chief executive with Mr. Munro.

Mr. Nicholas testified that Mr. Ross was reluctant to say when he would step down as co-chief in the proposed merged company, that "he preferred that that be left an open issue from a contractual point of view. He knew that he was breaking off the talks when he made that statement."

Mr. Nicholas's deposition also shows that, after talks with Warner stalled, Time talked to Capital Cities-ABC Inc. Warren Buffet, chairman of Berkshire Hathaway Inc. and Capital Cities' largest shareholder, approached Time in the fall of 1988.

Mr. Nicholas testified that a fundamental reason for the break-off in those talks was that Thomas Murphy, chairman of Capital Cities, "indicated to Dick Munro that he was talking, although he did not use the word, of an acquisition of Time by Capital Cities."

There were also discussions with Paramount, although the documents do not pinpoint dates. Mr. Davis testified that during the talks Mr. Munro was "obsessed" with who would succeed him at the resulting merged company — "and not who, but basically Nick Nicholas."

It was near the end of 1988, Mr. Ross testified, when talks with Warner were reopened, after an investment banker from Lazard, Freres, Warner's banker, brought Mr. Ross together with Michael Dingman, a Time director.

Interlake Defense a Likely Winner

Reuters

CHICAGO — A restructuring plan announced by Interlake Corp. most likely will stop Mark IV Industries Inc. or any other potential suitor from making a takeover attempt, analysts said.

Interlake, a diversified manufacturer of powdered metals, aerospace components, storage and handling products and packaging systems, said it would pay a special $45 per share dividend on its 10.1 million shares outstanding as well as divesting itself of peripheral products and operations and reducing costs to focus on its core businesses.

The dividend is payable in late September or October.

The company, based in Oak Brook, Illinois, also will form a $20 million employee stock ownership plan and carry out an equivalent open market stock repurchase program. It said it intends to borrow about $550 million, including senior term loan and subordinated debt.

Interlake's announcement pushed its stock up to $61.75, eclipsing the year's high of $54.75, before it settled back to close Friday at $59.50, a gain of $5.25.

Analysts said the move was obviously meant to discourage Mark IV, a diversified manufacturer based in West Amherst, New Jersey, which sought permission in mid July to buy 14.9 percent of Interlake.

MERGE: *Deloitte and Touche Partners Vote to Unite Accounting Firms*

(Continued from first finance page)

Report. "It will be interesting to see if they can continue to be the aggressive upstarts they have been."

Analysts have attributed the merger wave — which is whittling the so-called Big Eight to what some have dubbed the Giant Five — in part to competition in Europe leading to 1992, when the 12-nation Economic Community plans to implement a border-free market.

Touche Ross is considered strongest in the Far East with Deloitte a major presence in Europe. Deloitte Ross Tohmatsu International will draw on the expertise of Japan's largest audit firm, Tohmatsu Awoki & Sanwa, a member of the Touche Ross International organization.

"Our combined U.S. firms will provide clients with a broader range of services and will have additional depth in industry and other areas of specialization," said Touche Ross's chief executive, Edward A. Kagans.

Despite their ranking at the bottom of the Big Eight, Deloitte and Touche have posted the most rapid growth in recent years.

According to Mr. Bowman, their average individual worldwide revenue jumped more than 88 percent from 1985 to 1988. Last year their worldwide growth averaged 26 percent, compared with 22 percent for the other Big Eight firms.

Deloitte in 1988 had $820 million U.S. revenue and $1.92 billion in international revenue, while Touche Ross had $796 million in U.S. revenue and $1.84 billion in worldwide revenue.

Deloitte's audit clients include General Motors Corp., Kimberly-Clark Corp., Monsanto Co. and Procter & Gamble Co. Touche Ross clients include Chrysler Corp., Litton Industries Inc. and Pillsbury Co.

If Anderson and Price reach agreement, that new firm would would be the world's largest with $4.9 billion in revenue and a staff of 83,000 worldwide. Analysts said the firms plan three more weeks of confidential negotiations and the union is expected to go through.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
StrucDv			2225	25½	23¾	25¼	+1¾
Strykr s			2753	20¼	19½	20¼	+ ½
StuDS s			698	3⅝	2⅝	3⅛	− ⅝
StuartH	.06a	.3	3271	20¼	18⅝	19¼	+ ¼
StrmR s	1.00	2.9	37	35	33	35	+2⅝
Subaru			4806	5⅝	5⅛	5½	+ ⅜
SubBcp	.26	1.0	419	25¾	24	25⅝	+1⅝
Sudbry			3361	5¾	5⅛	5⅜	+ ⅜
SuffFin	.04e	.6	61	6⅞	6¼	6⅞	+ ⅜
SuffBnc	.52	3.5	18	14¾	14	14¾	+ ¾
Sumito	1.32	4.1	884	33	30¾	32½	+1
Summa			9664	5⅝	5	5⅝	
Sumgph			899	14¾	13	14⅝	+1⅜
Sumcrp	.64	3.0	593	21¾	20¾	21⅜	+ ⅜
SumtJB	.72b	3.5	1017	21	20¾	20¾	+ ¼
SumtHl			417	1⅜	1⅛	1⅜	− ⅛
SumSav			225	5½	5	5	− ⅛
SunCst			167	⅝	⅝	⅝	−
Sunair			32	2⅝	2⅝	2⅝	− ⅛
SunGrd			2892	18½	17¼	18¼	+ ¼
SunSav	.15r	2.1	1	7¼	7¼	7¼	− ½
SunMc s			56802	15⅝	13⅝	14⅝	− ⅜
SunrFd			77	18	17	18	+ ½
Sunlite			116	5⅝	5¼	5⅝	
SunMed			2794	9⅞	8⅝	8⅞	
SunstFd			103	4⅝	4½	4⅝	
Sunwst	1.12a	3.9	261	29⅛	28½	28½	−1
SupRte	.24	1.0	858	25⅜	25⅛	25⅛	
Suprtex			77	3⅜	3	3	
SuprEq			3	1¼	1¼	1¼	
SurgAf s			1904	17½	16½	16¾	− ½
SurvTC			26	7½	7½	7½	− ½
SusqBn	.88	4.1	425	21¾	21¼	21½	
SvenCl s			37	23	22⅛	22½	− ¾
SymTk			2	8	8	8	
Symntc			746	14½	13¼	13⅝	+ ⅜
Symbln			162	2⅛	1⅞	2	− ⅛
Symbllc			4076	1⅞	1⅛	1⅛	− ⅛
SynOpt			1688	19⅝	17½	18	−1
Synblo			982	3¾	3¼	3⅝	
Syncor			472	5⅝	5¼	5⅝	
Synrcm			497	4⅝	4¼	4½	
Synergn			382	8⅝	8	8	
Syntech			887	1⅞	⅞	1½	− ⅛
Synetic			544	13⅝	13¼	13½	− ⅜
Syntrex			1220	⅝	⅝	⅝	− ⅛
Synitro			1270	⅝	[illegible]	¼	+ ⅛
SyrSup	.28	2.0	5	13¾	13¾	13¾	+ ½
SySftw s			2487	25¼	23½	25	+ ¼
Systmt	.40	1.2	889	35½	34½	34¼	
SystCpt			1019	5¼	4⅞	4⅞	− ⅜
T							
TBC			2042	16⅛	15⅜	16	+ ⅜
TCA s	.20	1.0	884	20	19¼	20	
TCI Int	1		237	8⅞	8¼	8⅞	+ ⅜
T Cell			238	3⅝	3⅜	3⅝	+ ⅛
TGX			1707	1⅛	1	1⅛	+ ⅛
TJ Intl	.40	1.2	562	33	31	32½	+1½
TM Com			74	⅜	⅜	⅜	
TPI En			2725	5¼	4⅝	5	+ ⅛
TSI	.16	1.2	2374	13½	13	13	− ½
TSR			164	4	3¾	4	+ ⅛
TVX h			35	3	2⅝	3	+ ⅜
Talman	.25	2.5	4817	10⅛	9	10	+ ⅞
Tandon			5338	⅝	½	⅝	+ ⅛
TchDta			1741	14½	13¼	13½	− ¾
Tchnol s	.34	3.2	31	11⅛	10¾	10⅝	− ⅛
TchCom			537	13¼	11⅜	12¼	−1
TechDv			272	3⅝	3⅛	3⅝	
Tecogen			131	6	5⅝	5⅝	− ⅜
Tecum	3.20a	2.3	544	143¼	140	141	−1½
Tejas			4115	25½	23½	25⅛	+1
Tekelec			213	9¾	9½	9¾	
Telco			2851	9⅝	8⅞	8⅞	− ⅛
TeleOpt			180	2⅛	1⅞	2	− ⅛
TelcmA			34762	38⅛	36⅛	37⅝	+1½
TelcmB			276	39	36½	39	+2
TelCrt			12131	3⅝	3½	3⅝	
TelcNw			173	6⅝	6¼	6⅜	
Telecrd	1.00	2.8	3148	37	35¾	36¼	− ¼
Telmatc			2192	5⅛	4⅞	4⅞	− ¼
Telmdo			1318	5⅛	4½	4¾	− ⅛
Telvid			761	⅝			−
Telabs			4181	12⅝	12	12	− ½
Telos			4406	8	7	8	+1
Tebxon	.01e	.1	7571	11	9½	10	− ¾
TmpstTc			134	3⅜	3	3	− ¼
Temtex			20	2¼	2¼	2¼	− ¼
Tennant	1.12	3.3	236	34⅜	34¼	34¼	−1
Teradta			3533	16¼	15¼	15¼	
Terex	.05	.3	1134	16¾	15¾	16½	+ ¼
Termflx			735	3⅝	2⅝	3	+ ⅛
TermDt			202	1½	1¼	1⅜	+ ⅛
Teva	.19e	2.1	85	9⅝	9	9	− ½
ThmMA	.40	2.4	3	17	16¾	16¾	−1
ThmMB	.40	2.1	4	19	19	19	+ ¼
Thmsn	.71e	2.3	48	31⅝	30½	30½	−2¼
ThrmAV			14	7½	7¼	7¼	− ¾
ThouTr			554	2⅛	1⅝	1⅝	
3Cl			4				—
3Com			10041	19¾	13¼	13⅝	−5⅜
Tierco			6	1	1	1	
Tigera			1357	⅝	⅝	⅝	−
TimbSl			176	6⅞	6	6¼	+ ⅛
Tocr un			548	12½	11¼	11⅞	− ½
ToddAO	.10	.9	100	11¼	10½	10⅞	− ½
TokioF	.24e	.3	130	79	76⅞	76⅞	−2⅛
Tolland	.48	4.6	13	11½	10½	10½	− ½
Tompk s	.48	1.8	81	28	26½	26½	
Tmk plc	.45e	2.5	225	18	17⅝	18	+ ¼
Topps s	.32	1.2	11831	28⅛	24½	27¼	+2⅝
TorRov			379	3	2⅝	2⅝	− ¼
TotlEnr			27	2⅛	2⅛	2⅛	− ⅛
Tradin			4614	7¾	6⅝	6⅝	−1
TrakAu			57	10½	10	10¼	+ ½
TrmFn s	.51	2.9	9	17½	17	17½	+ ½
Tranln			103	4	3⅝	3⅝	− ¼
TrnLsg			220	2½	2¼	2½	
TrnMus			2481	22	19¾	21¼	+2
Trnsmi			104	3⅝	3⅝	3⅝	− ⅛
Trnsnti			54	2⅝	2⅝	2⅝	
Trnsnt			63	⅝	⅝	⅝	
Trnich			20	4⅝	4⅝	4⅝	− ⅜
Trnslct			240	⅜	¼	¼	
TrwlBc	1		254	19	16¾	18¼	+1⅜
Trwck	.27e	1.4	540	19¾	18½	19¼	+ ¼
TriadSy			18096	4⅝	4	4⅛	
TricoPd	1.00	1.7	2	58	58	58	
Trimas			345	45½	44⅞	45	+ ¼
Trimed			2402	7¾	6⅞	6⅞	− ⅜
Trion s	.09	1.3	1712	7⅞	7	7⅛	+ ⅛
Trstco s	.76	2.4	212	32	30¾	32	
TrNY	1.10b	3.7	139	30	28¾	30	+1¼
Trstbk			415	9¼	8½	9	+ ¾
Tsrtcp	.75t		1168	26⅝	25⅝	26	
Tseng			7855	6⅞	5⅝	5⅝	− ⅞
TuckDr			30	5	4¾	4¾	
Tudor			25	⅜	⅜	⅜	− ⅛
TuesM			388	13½	12⅝	13	+ ¼
TuscPl	.22e	1.1	368	22	21	21½	− ¼
20Cntn	.48	2.1	2087	23½	21¾	23¼	+1⅜
TwstTr			6116	[illegible]	[illegible]	¼	+
TycoTy			2067	20⅝	20	20⅝	+ ½
TycoTy wt			593	8⅛	7¾	7⅞	− ¼
Tylan			306	4	3⅝	3⅝	
Tyson	.04	.2	7062	24⅜	23⅛	23½	− ¾
U							
UNR			132	5⅛	5	5	− ¼
UNR wt			70	1½	1⅜	1⅜	
UNSL	.48	3.8	16	13	12½	12½	
USA Bc			201	5⅝	5½	5⅝	+ ⅛
USMX			817	1⅝	1½	1½	− ⅛
UST Cp	.60	3.5	223	17¾	17	17	− ¾
UTL			270	4	3¾	3⅞	
UltrBc	1.16	2.3	28	49⅞	49½	49½	
UniMrl	.10	1.5	127	6¾	6⅜	6¾	
UnicoA			574	4⅝	3⅞	4⅝	+ ⅞
Unifast			566	2¾	2⅛	2¼	− ⅜
Unifi			2226	34½	33	34¼	+ ⅜
Unifrce	.10	.6	706	17	15¾	16	−1
Unigen			1347	1	1½	1⅛	
Union wt			401	½		½	
Unimed			185	2⅝	2⅜	2⅜	− ⅛
UnBnk	1.32	4.4	626	30⅝	29⅝	30	+ ⅜
UAEn A			17139	22¼	19⅛	22⅛	+2⅝
UAEn B			3675	22⅜	19⅜	21⅜	+1⅞
UnBkrs			31	⅞	⅞	⅞	+ ⅛
UBCol	.15e	.7	1750	21¼	20	21¼	+1¼
UBWV	.60	4.5	402	13½	13	13¼	+ ⅛
UCarBk	.60	3.9	455	15⅛	15	15¼	+ ¼
UCtyG s	.88	5.9	779	15¼	14¾	15	+ ¼
UnCoast			67	3⅝	3⅜	3⅜	
UnDom	1.20	6.4	1630	19⅛	18⅝	18⅞	− ⅛
UnEdSt			907	2½	2⅛	2⅛	
UnFdBc	.06e	.5	2994	12¼	11⅞	12	+ ¼
UFInSC			834	15⅛	14¼	15¼	+ ⅜
UFireC	1.20	3.7	150	33	32¾	32¾	− ¼
UGame			1842	13	12½	12¾	− ⅜
UGrdn			217	9¾	9	9⅜	
UHltCr			37039	12⅛	10¾	12	+1
UtdHm	.38e	6.7	25	4½	4½	4½	− ½
Utdlns			31	13½	12¾	12¾	+ ¼
UtdInv	.30	1.6	1402	19¼	18¼	18½	− ¼
UMoBn	.80	2.7	437	29¾	28	29¾	+1¾
UnNMx	.25e	1.7	177	15	14¼	14¾	− ¼
UtdNwsp	.80e	5.2	521	16⅛	15½	15½	− ¼
UtdSvrs	.36t		469	11	10	10⅞	+ ⅞
USvBk	.38	3.5	1708	11	8¾	11	+2¼
USB Or			1970	18½	17¾	18⅛	+ ⅜
USBkVa			135	7¾	6¾	7	−1
US Bcp	1.00	3.0	4151	34¼	33	33⅝	− ⅛
USBPa			79	13¼	12¾	13¼	+ ½
US Bc pf	2.12	9.4	80	22⅝	22	22⅝	− ⅛
US Enr			342	6¼	5⅞	5⅞	
US Facl			619	3⅝	2¾	3⅝	+ ⅞
US Gold			1463	1⅛	1	1	—
US HltC	.20	1.5	9382	13¼	12⅝	13	+ ⅜
US Intc			257	6¼	5¾	6	+ ¼
US Prc a			344	¾			
US Trst	1.52	3.6	712	43	41¾	42¼	
USWNV			4902	40¾	38	39¾	+1¾
UStatn	.40	1.7	4601	23½	22½	23¼	+ ⅜
UnTelev			322	38¼	37	37⅝	+ ⅜
UnTole s			24	12½	12	12	
UnVtB s	.60	3.8	68	15¾	15¼	15¾	+ ½
Unitog			1147	15¾	15¼	15⅝	+ ⅛
Unitrnx			144	5⅜	5	5	− ⅜
UnvHlt			1130	11⅝	11¼	11⅜	
UnvHld			93	1¾	1¾	1¾	
UnVolt			10	1⅞	1⅞	1⅞	
UnivBT	.60	1.0	1	59	59	59	+5
UPenEn	2.22	8.1	192	28	26	27½	+1¾
UtahMd			5522	4⅝	4⅞	4⅝	+ ⅞
V							
V Band			779	5⅞	5⅝	5⅞	+ ⅛
VLSI			8860	8⅝	7¾	7¾	− ⅜
VMS	1.08	14.9	182	7⅝	7¼	7¼	− ⅜
VMS II	.84	13.2	1142	6⅝	6	6⅜	+ ⅛
VMS III	.90	13.8	627	6½	6¼	6½	+ ¼
VMS SL	1.20	15.7	267	7¾	7⅝	7⅝	− ⅛
VMS SL2	1.20e	15.7	854	7⅞	7⅝	7⅝	+ ¼
VMX			5183	3⅝	3⅛	3⅜	− ⅞
VSB Bc	.40	2.8	858	14⅝	13	14⅝	+1⅜
VSE	.28	2.8	18	10¼	9⅞	10	+ ¼
VWR	.80	3.9	137	21¼	20¾	20¾	
Valcom			2308	11¼	10¾	11⅛	+ ⅜
ValidLg			21345	6¼	5⅝	5¾	+ ⅛
Vallen			17	47¾	45¼	46	−1
ValvB	1.04	4.4	313	23¾	23¼	23⅝	+ ½
VlyCap	.80	2.0	118	39½	37	39½	+3½
ValFSL			3360	12	9¾	11½	+1¾
VlyBcp	1.30	4.7	256	27½	26	27½	+ ½
ValNtl	1.44	5.1	21099	29⅝	28⅛	28⅝	− ¼
Valmnt s	.40	1.2	494	34⅜	33	33¾	− ¼
ValLn	.60	2.7	268	22	21	22	+ ½
VanGld			358	2⅛	1⅝	1⅝	− ⅛
VanFed			968	12	11¼	11⅝	− ⅜
VardCl s			3561	31	29¾	30	− ½
VREF I			175	9½	8¾	8¾	− ⅜
VariCre	.04	1.0	165	4⅛	3¾	4	+ ⅛
Varitrn			1674	10¼	8⅝	9¾	+ ⅜
Varlen	.60	2.1	214	29	28¼	28½	
VeloBd			1190	6⅝	6¼	6⅜	− ⅛
Ventrex			815	1⅞	1¼	1¼	− ⅛
Ventur			574	14	13	13	− ¾
VtFln	1.00	4.1	339	24¾	24	24½	+ ¼
Veronx g			1948	4⅛	3⅝	3⅝	− ⅛
Versa s	.20	1.3	463	16	15¼	15¾	+ ¾
Vestar			1773	4	3½	3⅞	+ ⅛
VertexC			140	5	4¾	4¾	
Vicorp			3982	18	17	17	− ½
VictBn			85	9¾	9⅝	9⅝	− ½
VictCr			917	5⅛	4⅞	4⅞	− ⅞
VidDsp			623	8¼	7¾	8¼	+ ⅛
Vie deFr			316	2⅝	2½	2⅝	− ⅛
ViewMs			149	8⅞	8⅝	8⅝	+ ⅛
Vikonic			1192	5½	5	5⅜	+ ¼
VilSpM	.15	.8	122	18	17	18	+1
Vinland			446	⅝	½	½	+ ⅛
Vipont			3317	9¾	7⅞	9	+ ⅞
Viratek			807	11½	10½	10½	− ¼
VaBch	.20a	1.8	1405	11⅝	10⅞	11¼	− ⅛
VaFst	.10e	2.2	4	4⅝	4½	4⅝	
VistaOr			879		⅜		
VistaLP			1531	1½	1⅜	1⅜	− ⅛
Vitalnk			12888	20½	18⅝	18¾	− ¼
Vivigen			1067	20¼	18¼	18¼	−1¼
VoltInf			53	17	16	17	
Volvo	1.84e	2.5	1154	75¾	72¾	74¼	+1¼
W							
WCRS	.15e	1.5	71	10½	10	10	− ½
WD 40	1.60a	5.2	986	31¾	30½	31	+ ½
WLR F s	.40	1.5	94	26½	25¼	26	+ ¾
WNS			12	5	5	5	
WPP Gp	.71e	2.9	3924	24⅝	23⅛	24½	+ ¾
WSMP	.16	2.3	46	7	6⅞	6⅞	
WTD			9345	16¾	14	16¼	+1¾
WalnBk			45	11½	10⅝	10⅝	− ⅜
Walbro s	.40	2.6	290	15¾	14½	15¼	+ ¾
WlkrTel			473	1⅞	1⅞	1⅞	
WallSnd			95	3⅝	3¼	3¼	
Walshr	.20	2.5	68	8½	8⅛	8⅛	−1⅛
WaltCp	.48	5.2	788	9½	9	9¼	
WrhseC			156	3⅝	3⅛	3⅛	− ¼
WordWh	.62e	2.9	5	22	21⅜	21⅜	− ⅞
Warren			1638	6¼	5⅝	6¼	+ ⅜
Warwk			604	3¼	2¾	2⅞	− ⅜
WshBcp	.28	1.7	267	16¼	15⅝	16¼	+ ¼
WBcDC	.28	1.6	120	17¾	17¼	17¾	
WashEn	1.32	7.3	1723	18⅝	17¾	18	− ⅜
WFSL	1.20	2.9	2822	41¾	38¼	41¾	+3½
WshFOr	.30	2.2	3395	13½	12¼	13½	+ ¾
WshFDC			163	6	5½	5½	− ¼
WMSB	.40	1.7	27670	23⅞	20	23⅝	+3⅝
WshSvg			119	2⅛	1⅝	1⅞	− ⅜
WshSci	.16	1.7	386	9½	9¼	9⅝	− ⅛
Wattd un	.21e	1.7	1037	12½	12	12⅛	− ¼
Watrhse	.12a	2.0	5	6	5¾	6	+ ½
Watrln	.08e	2.1	50	4	3¾	3⅞	+ ⅛
Wattsind	.16	.4	2298	37¼	34	37	+3
WausP	.60b	1.5	376	41	38¾	41	+1¾
Waver	.36	1.1	22	32½	31¾	32¼	
Wavelk			454	5⅛	5	5	− ¼
WbstCl			4	2⅝	2⅝	2⅝	
WbstFn	.48	3.5	1817	13¾	13⅝	13⅝	+ ¼
Wegenr			345	3⅞	3⅜	3½	− ⅛
WelgTr	.40	1.9	48	21	20¾	20¾	+ ¼
Weltek			1969	13	12⅝	12⅝	+ ¼
Wellgtn			552	13½	12¾	13¼	+ ¼
Werner	.08a	.4	1428	20	18	19¾	+1¾
Wesbnc	1.20	4.1	48	30	29	29¼	+ ¼
WtMass	.28	4.1	300	6¾	6½	6¾	− ⅜
WNewtn	.16e	2.0	73	8	7¾	8	+ ¼
WstOne	1.20	3.1	958	38¾	37	38¾	+1¾
Wstrbke			81	1⅜	1⅛	1⅜	
WtBank	1		50	12½	12	12	− ¼
WstCap			8201	13⅞	12½	13½	+1
WnFncl	.06r	1.2	146	5¼	4½	5	+ ½
WFdPR	.80	5.1	13	15¾	15¾	15¾	− ½
WnWste			815	20¾	20	20½	− ½
WMicTc			367	6½	5½	5¾	+ ¼
WMicr			527	1⅝	1¼	1¼	
WstnPb			8143	22½	21⅛	21⅛	− ⅛
WtMrcA			84	29½	29⅛	29¼	+ ⅛
Wstmrk			3241	42	39½	39½	−1½
WmorC			495	22¼	21¾	22¼	+ ½
Weston			3051	14⅝	14	14½	+ ⅜
WstpBc	.36	3.9	14	9¼	8½	9¼	
WstwOn			9262	12¼	10½	12	+1¼
Wettra	.56	1.8	1733	31¼	29½	30⅝	+1⅛
Wharf			150	5¼	5	5	− ⅛
Whelbrt			85165	10	9	9¾	+ ⅜
WhelTch			6472	34⅝	31⅜	34⅛	+2⅜
Whlclub			713	14	13½	13¾	+ ⅛
WhlCl pf	2.12	5.7	20	38	37½	37½	+ ½
Wicat			5962	2⅛	1⅝	2	+
Wiland			1867	4	3⅝	3⅝	− ¼
WllyJ A	1.10	1.8	361	64	61½	62½	+ ½
Williaml	1.45	2.8	5253	51¾	49	51¼	+2
WlllW	.68	4.3	2	16	16	16	+1½
Willml			135	11⅞	11½	11½	
WmSon s			396	24⅝	23	24½	+1
WlmTr	1.24	2.8	668	46	44	44½	−1½
WlsSGs	1.18b	3.7	6	33	31½	31½	−1½
WlscTy			489	12½	11½	11½	− ¾
WlserO	.40	2.4	414	16⅞	16⅜	16⅜	− ¼
Wolohn	.28	1.6	216	17¾	17¼	17½	− ¼
WlvEx h			2002	8⅝	7⅜	7⅜	− ½
Wolv wt			2317	2¼	2	2⅛	+ ⅛
Woodhd	.60	3.9	939	15¾	14½	15¼	+ ⅝
Wordst			651	1⅞	1⅝	1⅝	− ⅞
Wkmen			41	9⅞	9	9	− ¼
WWTch			347	3¾	3	3⅛	− ⅜
Wortng	.48	1.9	3745	24⅞	24⅛	24¾	+ ⅜
Writer			77	⅝	⅝		+
Wyman	.80	4.4	1996	18¼	17¾	18	+ ¼
WyomNt	.10e	.7	6	14¼	14¼	14¼	+ ¼
X							
XL Dta s			4777	25½	23¼	24	+ ½
XOMA			5335	20	18¼	19¼	+1
X-Rite s	.08	.8	147	10¼	9¾	10⅛	+ ⅜
Xicor			3599	6¾	6⅛	6¼	+ ¼
Xelor	.30	8.4	263	3⅝	3½	3⅝	+ ⅛
Xscribe			608	1⅜	1⅛	1⅜	+ ¼
Xylogic			474	10⅝	10⅛	10⅛	
Xyvan			1484	5	4½	4⅞	+ ⅛
Y							
YanEnS			2848	21½	21	21½	
YelowF	.76	2.5	13126	30⅝	27⅞	29⅞	+1⅞
YorkFn	.64	3.5	482	18¼	15½	18¼	+2¼
YorkRs			874	5⅞	5¼	5¾	+ ⅛
Yrkrdg			198	4⅝	4	4¼	− ⅝
Z							
Z Sevn	.09e	.6	26	14½	14½	14½	
Zentec			111	⅝			—
Zeus			39	3	3	3	
Ziegler	.52a	3.4	62	15½	15	15½	− ¼
ZionUt	1.44	5.2	871	28	27	27¾	
Zitel			218	4	3¾	3⅞	− ⅛
Zycad			2403	2⅞	2⅝	2⅞	
Zygo			1	4	4	4	
Zymos			767	1⅜	1⅛	1¼	− ⅛

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MONDAY SPORTS

49ers Warm Up, Thrashing Raiders, 37-7

United Press International

The San Francisco 49ers, the defending Super Bowl champions, scored on five of their first six possessions en route to a 37-7 thrashing of the Los Angeles Raiders in a National Football League exhibition game Saturday night in Los Angeles.

The 49ers, behind quarterbacks Joe Montana and Steve Young and running back Terrance Flagler, blasted to a 30-0 halftime lead.

Montana completed nine of 13 passes for 106 yards and Young was six-for-11 for 79 yards. Flagler ran for 116 yards on 15 carries and scored two touchdowns.

Jay Schroeder, the Raiders quarterback, was four of 13 for 50 yards in the first half. He threw two interceptions and was replaced by Steve Beuerlein in the second half. Beuerlein completed eight of 12 passes.

The 49ers, who lost to the Los Angeles Rams, 16-13, in Tokyo last week, outgained the Raiders in the first half, 298 to 69 yards, and had 20 first downs to four for Los Angeles.

For their first score, the 49ers drove 68 yards in 13 plays. Montana capped the drive with a four-yard scoring pass to Jerry Rice.

Later in the first quarter, 49ers safety Chet Brooks intercepted a Schroeder pass and returned it 47 yards to the Raider seven-yard line. On the next play, Roger Craig ran it in, putting the 49ers ahead, 14-0.

The next time the 49ers had the ball, they drove 59 yards in six plays, with Flagler racing around left from five yards to make it 20-0.

In the third quarter, the Raiders finally got on the scoreboard when Kerry Porter ran into the end zone from a yard out.

NFL PRESEASON

Giants 20, Patriots 17: In Foxboro, Massachusetts, Mark Ingram scored on a 37-yard pass from Mike Perez and Raul Allegre connected on a pair of field goals to lead New York.

New England used three quarterbacks: Tony Eason in the first half, Doug Flutie in the third quarter and Marc Wilson in the fourth quarter.

Colts 31, Saints 7: In New Orleans, Mike Prior returned an interception 53 yards for a touchdown and Indianapolis scored 24 first-half points. Prior's interception was one of five by the Colts.

Redskins 21, Steelers 14: In Pittsburgh, rookie running back Joe Mickles scored on a six-yard run with 5:32 left to lift Washington. The Redskins drove 87 yards in 12 plays for the winning score.

Quarterback Mark Rypien, starting for the injured Doug Williams, played the first half, completing nine of 22 passes for 132 yards.

Broncos 17, Rams 13: In Denver, reserve quarterback Gary Kubiak completed 13 of 20 passes for 167 yards and a touchdown to lead the Broncos past Los Angeles.

Denver gained a net 12 yards in their first two possessions behind starting quarterback John Elway. Elway was sacked three times and completed no passes before giving way to Kubiak with five minutes left in the first quarter.

Vikings 23, Chiefs 13: In Memphis, Tennessee, Tommy Kramer, Minnesota's second-string quarterback, threw for 165 yards and two touchdowns to help shut down Kansas City.

Browns 25, Lions 24: In Pontiac, Michigan, backup kicker Dan Plocki kicked a 30-yard field goal and reserve quarterback Mike Norseth plunged a yard for a third quarter score as Cleveland triumphed despite an impressive debut by Rodney Peete, Detroit's rookie quarterback.

Peete guided the Lions to a 17-15 halftime lead by throwing for 155 yards — 141 in the second quarter — and a touchdown. He completed 11 of 23 passes, helping Detroit's new four-receiver offense rack up more yardage in one half (292 yards) than the conventional offense did in all but two entire games last season.

Packers 28, Jets 27: In Milwaukee, Green Bay's rookie quarterback, Anthony Dilweg, directed two second-half scoring drives and Randy Wright threw two touchdown passes to lead the Packers.

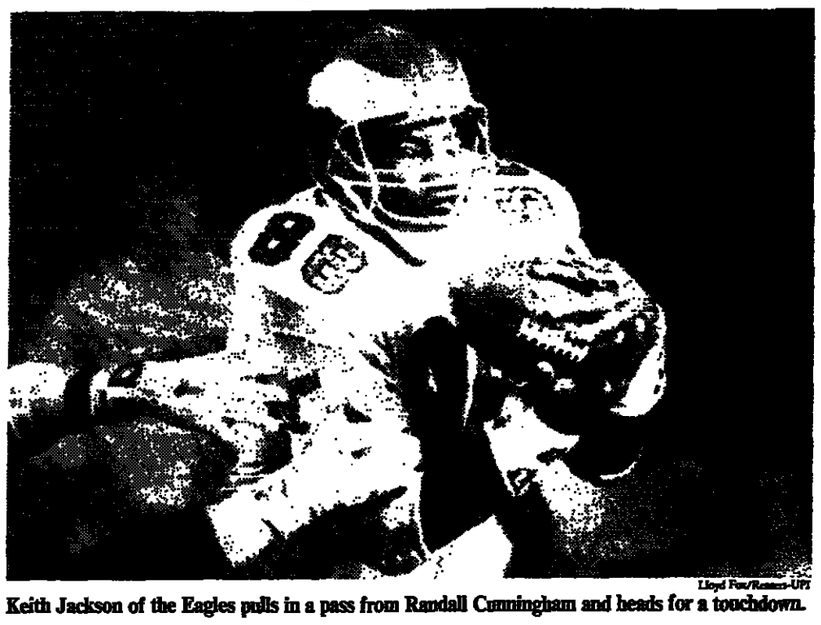
Buccaneers 41, Oilers 23: In Tampa, Florida, Vinny Testaverde threw two touchdown passes and scored himself on a two-yard bootleg as Tampa Bay romped over Houston.

Testaverde, the NFL's lowest-rated passer in 1988, completed nine of 22 attempts for 137 yards in the first half before yielding to rookie Kerwin Bell and veteran Joe Ferguson.

Eagles 23, Falcons 17: In Philadelphia, third-string quarterback Don McPherson threw fourth-quarter touchdown passes to Eric Bailey and Bill Hess to lift Philadelphia past Atlanta.

Seahawks 16, Cardinals 10: In the only game on Friday night, Louis Clark caught a 50-yard touchdown pass from Jeff Kemp 1:06 into overtime to secure the victory for Seattle in Tempe, Arizona.

Phoenix sent the game into overtime with a 99-yard drive that was climaxed by Tom Tupa's 10-yard touchdown pass to rookie wide receiver Andre Langley with 16 seconds left.



Lloyd Fox/Reuters-UPI

Keith Jackson of the Eagles pulls in a pass from Randall Cunningham and heads for a touchdown.

1,500 Duel: Coe Whips Ovett

The Associated Press

BIRMINGHAM, England — Sebastian Coe unleashed a dramatic last lap after stumbling over a falling opponent to win his 1,500-meter showdown Sunday with Steve Ovett, who was in tears after the race because of a controversy over appearance fees.

Coe recorded a time of 3 minutes, 41.38 seconds to win the race, the first on a British track between the former Olympic champions.

The victory in the British Amateur Athletic Association Championships gave Coe an automatic spot on England's team for the 1990 Commonwealth Games in New Zealand.

With 500 meters left, Steve Crabb was tripped while trying to take the lead and fell to the track. Coe stumbled over Crabb and nearly fell, wincing and grabbing his left hamstring as he regained his balance.

The incident left him in eighth place, 40 meters behind the leaders, but the two-time 1,500-meter Olympic champion overhauled the seven men in front of him to take the lead with 30 meters remaining in the race and held on for the victory.

Ovett managed to steer clear of Crabb but faded to finish ninth in 3:45.85.

For Ovett, a former 800-meter Olympic champion, the race was the end to a day of misery. He had threatened to pull out of the long-awaited duel. Ovett said he was upset because he had been offered money to compete in the race and Coe had not.

"They got me here on false preteases. They lied to a lot of other people," Ovett said, wiping tears from his eyes. "I felt as if I was being bought. I wasn't really ready to run today."

Ovett did not specify who had offered him money,and Andy Norman, a spokesman for the AAA, said "no money was offered to Steve Ovett or Sebastian Coe by myself or, to my knowledge, any official of the AAA."

Coe, 32, and Ovett, 33, won three Olympic titles and set nine world records over the mile and 1,500 meters between them.

SIDELINES

6 Die at Angola-Nigeria Soccer Match

LAGOS (Reuters) — Sam Okwaraji, a winger on Nigeria's national soccer team, collapsed and died and at least five fans died of suffocation in a heat wave during a World Cup qualifying match between Angola and Nigeria here on Saturday.

Okwaraji, 24, who played for the Belgian club Antwerp, collapsed on the field 35 minutes into the second half and was dead on arrival at Lagos General Hospital. Hospital sources said he had no external injuries.

At least five fans died from suffocation in extreme heat and high humidity at National Stadium, which has a capacity of 70,000. Local newspapers suggested that 20,000 extra fans were packed into the stadium for the first international game to be played in Lagos in almost two years. Nigeria won the match, 1-0.

Ohio Judge Blocks Hearing on Rose

WASHINGTON (WP) — Pete Rose gained a significant victory Friday in his battle to remain manager of the Cincinnati Reds, as Judge John D. Holschuh of U.S. District Court in Columbus, Ohio, stayed all court proceedings in Rose's lawsuit against the commissioner of baseball, A. Bartlett Giamatti, pending the outcome of Rose's appeal of Holschuh's decision that the suit should remain in federal court.

Holschuh's ruling blocks Giamatti from holding a hearing on allegations that Rose bet on baseball games. The hearing had been scheduled for Thursday. It is the second time a court has prevented Giamatti's hearing, which originally had been scheduled for May 25. Giamatti had postponed the hearing until June 26 at Rose's request.

Yugoslav Army Drafts Lakers' Divac

BELGRADE (AP) — Vlade Divac, who signed a three-year contract with the Los Angeles Lakers of the National Basketball Association, has been drafted and ordered to active duty for a year by the Yugoslav Army.

Divac, 21, a high-scoring center on Yugoslavia's national team, signed with the Lakers on Aug. 7. He was notified Friday that he must report Sept. 19 for his military service, Yugoslav newspapers reported Saturday.

Edberg Upset in U.S. Hardcourt Play

INDIANAPOLIS (AP) — Jay Berger upset top-seeded Stefan Edberg, 6-4, 6-2, and John McEnroe took another step in his drive to regain the world's No. 1 ranking by defeating Aaron Krickstein, 6-2, 7-6 (8-6), Saturday in the semifinals of the U.S. Hardcourt Championships.

Berger, after taking a 1-0 lead in the second set with a service break, had to wait through a rain delay of two hours and 40 minutes to defeat Edberg, the world's third-ranked player.

For the Record

Gordon Brand Jr. of Scotland clinched a spot on the European team for golf's Ryder Cup when he rolled in an 18-foot (5.5-meter) eagle putt on the final hole Sunday to win a PGA European tournament in York, England, by one stroke over Derrick Cooper of England. *(AP)*

Armin Bittner of West Germany, the defending World Cup slalom champion, won the opening slalom of the season in Thredbo, Australia, on Saturday. *(AP)*

Sean Yates of Britain claimed the first stage-race triumph of his seven-year career on Sunday when he hung on to his one-second lead over Frans Maassen of the Netherlands to win the Tour of Belgium. *(Reuters)*

One person was killed and five were injured Sunday when a car in a mountain championship rally left the road and crashed into a group of spectators near Santander, Spain. *(AP)*

Fullback Tony Burse, a second-year National Football League player with the Seattle Seahawks, has been suspended for 30 days because he tested positive in the NFL's mandatory preseason drug test. *(AP)*

Bird's Deal: $6 Million For a Year

The Associated Press

BOSTON — Larry Bird missed virtually all of last season with foot surgery, but before the operation, he signed a contract that will make him the first pro athlete to earn more than $6 million in a year.

The nine-time All-Star, who has led the Boston Celtics to three NBA titles, negotiated the huge sum last October, The Associated Press has learned. But Bird played only six games in 1988-89 because of the surgery on his feet and ankles.

At the time, he had two years remaining on a five-year contract, and his salary was $1.8 million a year, far less than the $3-million-plus paid to other NBA stars like Michael Jordan and Magic Johnson.

Bird's agent and attorney, Bob Woolf, confirmed Saturday that the 6-foot-9 forward had signed an extension through 1991-92 but declined to discuss its terms.

Woolf said when the contract agreement was made that Bird, now 32, would retire at the end of the season in 1992, which would give him three more seasons of action.

Negotiations were complicated by the need to keep Bird's salary in line with the NBA's salary cap, which will be $9.8 million per team this year. The Celtics agreed to a two-year contract extension under which Bird's salary and bonus will jump to between $6 million and $7 million during the 1991-92 season.

In addition to Jordan of the Chicago Bulls and Johnson of the Los Angeles Lakers, other NBA stars reportedly earning more than $3 million a year are Patrick Ewing of the New York Knicks and David Robinson of the San Antonio Spurs.

No other athletes in team sports are believed to have signed contracts for as much as $3 million.

2 Dutch Soccer Teams Defy Identity Card Rule

The Associated Press

AMSTERDAM — The Netherlands became the first country to officially introduce identification cards for soccer fans on Sunday, but the system was not implemented at either of the day's matches.

The identity card system was ordered by the government and put into effect on a one-year trial basis by the Royal Dutch Soccer Federation to stem the rioting and vandalism that plagues Dutch soccer.

But FC Den Haag, whose fans are considered to be among the most violent, defied the government and refused to implement the system at the club's match against Ajax Amsterdam in The Hague.

Under the card plan, which survived a court challenge last week, the soccer federation is requiring fans at away games to show a computerized identification card when purchasing tickets. The card has a magnetic strip carrying the fan's personal data, allowing the federation to cancel the cards of fans with police records for hooliganism.

High tensions caused by the identity card issue brought out heavy police security at both the Den Haag-Ajax match and the other game of the day, Feyenoord Rotterdam at Utrecht.

Five arrests were reported for disorderly conduct at the Den Haag-Ajax match, with no arrests reported in Utrecht.

The FC Utrecht management initially put the card system into effect, but soon gave up and allowed hundreds of Rotterdam fans in without the passes after they tried to storm a gate.

"The threat was so serious we had to let common sense prevail," said an Utrecht police spokesman, Joop Servaas.

The plan applies to five clubs — Ajax, Den Haag, Feyenoord, Utrecht and PSV Eindhoven — whose towns often are hit by post-game riots, with trains sometimes gutted by fans returning home.

Critics say the plan is unworkable because it depends both on the local club's compliance and on the ability of ticket sellers to identify visiting fans.

During high-risk matches, police riot squads meet special fan trains. The visiting fans are bused to the stadiums and kept away from home fans.

Such measures are useless, however, in controlling visiting fans who travel by car or on other trains and buy tickets set aside for home team supporters.

Opposition to the identity cards has brought together an unlikely coalition of civil rights advocates and soccer fan groups.

Mansell's Ferrari Triumphs

Reuters

BUDAPEST — Nigel Mansell of Britain drove to the most dramatic triumph of his career in the Hungarian Grand Prix Sunday.

Starting from 12th place on the grid, Mansell carved his way through the field on one of the most twisting and difficult circuits in Formula One auto racing to claim an unexpected victory.

It was Mansell's second victory of the season in a Ferrari and the 15th of his career — and it was witnessed by a vast, flag-waving army of ecstatic Italian fans.

"I think this has to be one of the best — if not the best — races of my career," said Mansell. "It was a terrific race to win and to drive in and was the most exciting I can remember in recent years."

Mansell finished more than 25 seconds ahead of the Brazilian world champion, Ayrton Senna, after overtaking the McLaren driver with 19 of the 77 laps remaining in a breathtaking maneuver.

"I'd rather not think about it — I almost closed my eyes myself," said Mansell. "Ayrton was very close to the car in front and he had to brake hard when the driver ahead made a mistake."

"I squeezed by, but it was very close."



Agence France-Presse

Nigel Mansell, right, chatting with teammate Gerhard Berger.

Belgian Thierry Boutsen finished third in a Williams, Alain Prost of France was fourth in the second McLaren. *(See Scoreboard)*

Mansell's victory lifted him to third place in the drivers' championship with 34 points. Prost has 56 and Senna 42.

"There are six races to go now and some of them are very good for Ferrari so anything can still happen in the championship," said Mansell. "I shall keep on driving to win races and hope for the best."

Italian Riccardo Patrese, starting from the pole position in his Williams, led for 52 laps before being forced out by his overheating Renault engine.

His retirement allowed Senna and Mansell to storm through and fight out a duel for the lead.

"I lost the lead because I had to brake hard behind (Stefan) Johansson," said Senna.

DENNIS THE MENACE



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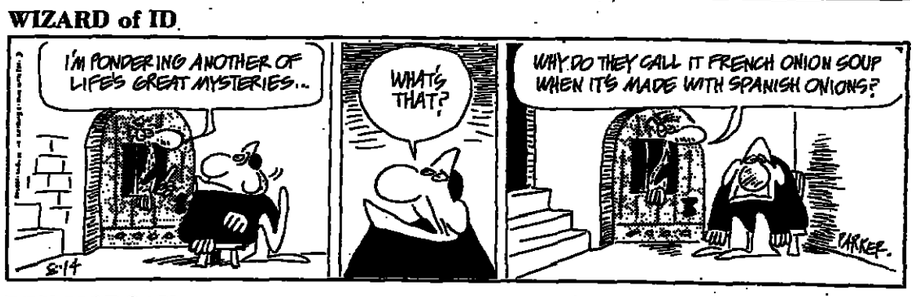
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MONDAY SPORTS

Orioles Widen Lead In AL East as Rookie Shuts Down Red Sox

The Associated Press

Rookie Dave Johnson pitched his second straight complete game and Craig Worthington hit a two-run homer to help the Baltimore Orioles beat Boston, 6-1, Sunday for a split of their four-game series with the Red Sox in Baltimore.

Only 13 hours earlier, the Red

BASEBALL ROUNDUP

Sox won, 10-8, in 13 innings with the Orioles using seven pitchers.

The loss dropped the Red Sox 2½ games behind first-place Baltimore in the American League East.

Brewers 5, Indians 4: In Cleveland, Robin Yount's sacrifice fly in the 10th spoiled a comeback by the Indians.

Jim Gantner led off the 10th with a double and moved to third on Glenn Braggs's sacrifice bunt. Braggs reached first when first baseman Dion James, moved in from the outfield because Pete O'Brien had left for a pinch-runner, dropped the throw from Jones. Yount hit a fly deep into the corner in right field to score Gantner.

Pirates 6, Expos 4: In Montreal, Bob Walk scattered eight hits over 8⅓ innings to become Pittsburgh's first 10-game winner and the Pirates snapped a three-game losing streak.

Andy Van Slyke and Bobby Bonilla hit consecutive homers in the seventh inning as the Pirates won for only the fourth time in 16 games. Van Slyke, who homered Saturday, has three home runs in his last five hits.

Reds 5, Astros 0: In Houston, Jim Clancy, knocked out in the record-breaking first inning against Cincinnati Aug. 3, lasted longer but the Reds still shutout the Astros on Tom Browning's six-hitter.

Clancy gave up seven runs without retiring a batter in Houston's 18-2 loss to the Reds on Aug. 3. Cincinnati scored 14 runs on 16 hits in that first inning. This time, Clancy gave up three runs and four hits in four innings.

Saturday's Games

Athletics 8, Angels 3: In Anaheim, Mark McGwire homered and drove in three runs as Oakland scored its second straight victory over the Angels and took a two-game lead in the AL West.

Twins 6, Yankees 3: In Minneapolis, Al Newman singled home the tie-breaking run in the fifth and the Twins, routed 11-3 Friday night by New York's 18-hit attack, shut out the Yankees in the final six innings.

Brewers 5, Indians 1: In Cleveland, Chris Bosio pitched a six-hitter and Robin Yount got three hits and two RBIs. Milwaukee won for the fourth time in five games. Cleveland has lost six of nine.

Blue Jays 2, Royals 0: In Kansas City, George Bell and Ernie Whitt drove in runs with two-out hits in the eighth inning.

Tigers 6, Rangers 5: In Arlington, Texas, Tracy Jones's eighth-inning fly to the warning track in left field drove in the tying and go-ahead runs.

Red Sox 10, Orioles 8: In Baltimore, Rich Gedman hit a go-ahead double in the 13th inning off Kevin Hickey as Boston rallied from a 7-2 fifth-inning deficit.

Mariners 4, White Sox 3: In Seattle, Jeffrey Leonard tied the game with a two-run homer in the sixth and Alvin Davis won it with a homer in the 10th.

Cubs 9, Phillies 7: In a National League game in Chicago, Shawon Dunston drove in a career-high six runs to help hold off Philadelphia.

Astros 6, Reds 5: In Houston, Glenn Davis singled home the tying run with two outs in the ninth and scored on a wild pitch by Cincinnati's John Franco.

Dodgers 5, Giants 1: In San Francisco, Fernando Valenzuela overcame his Candlestick Park jinx and pitched his eighth career two-hitter and first since Sept. 22, 1986. He struck out six, walked three and hit an RBI double.

Mets 3, Cardinals 1: In New York, David Cone won his seventh straight and went three-for-three with an RBI as New York won for the eighth time in 10 games.

Expos 5, Pirates 2: In Montreal, Kevin Gross won for the first time in four starts and Tim Raines homered. Andres Galarraga's RBI groundout snapped a 2-2 tie in the fifth, and Raines followed with his eighth home run of the season.

Braves 5, Padres 4: In San Diego, Tom Glavine pitched no-hit ball for 6⅓ innings and Darrell Evans drove in three runs to lead Atlanta.

A Hidden Ball Gets the Best of Padres' Runner

The Associated Press

SAN DIEGO — Marvell Wynne of the San Diego Padres forgot a simple command of baseball on Friday night: Keep your eyes on the ball.

With Atlanta leading 6-5, Wynne led off the ninth inning of the opener of a doubleheader with a single and was sacrificed to second. With Roberto Alomar batting, Wynne took a couple of steps off base, and second baseman Jeff Treadway, who still had the ball, moved in for the tag.

Wynne was the victim of the old hidden ball trick.

"I faked tossing the ball to (pitcher) Joe Boever and told him to stay off the rubber," Treadway said.

"I've tried it before in the minor leagues," he added, "but it never worked for me. When you're playing the way we are, you do whatever you can to win ball games." The Braves won, 6-5.



Mike Reid in concentration as he drives off the first tee at the PGA Championship outside Chicago. Reuters-UPI

Strange Surges Into 2d But Reid Still Leads PGA

The Associated Press

HAWTHORN WOODS, Illinois — Curtis Strange moved into a tie for second, two shots back of front-runner Mike Reid, at the halfway point Sunday in the final round of the 71st PGA National Championship.

Reid, who has led or shared the lead all the way, had a three-shot advantage when the storm-delayed third round was completed Sunday morning.

But Reid opened the door to potential challenges when he could do no better than a one-over-par 37 on the front nine.

Reid, who had to make a pair of six-foot, par-saving putts going out, reached the turn with a 63-hole total of 240, 12 under par on the Kemper Lakes Golf Club course that was still wet from the heavy rains that halted third-round play.

Strange, the U.S. Open champion, scored consecutive birdies with putts of 30 and 20 feet on the sixth and seventh holes and closed up with a 34 over the front nine

Playing in the same threesome with Seve Ballesteros of Spain and Ian Woosnam of Wales, Strange made the turn at 10 under.

He was tied with Scott Hoch, a playoff loser in the Masters, who played the front in 35 despite hitting into the water on the fourth hole.

Ballesteros, Woosnam, Craig Stadler and Dave Rummells were another shot back.

Ballesteros, a three-time British Open champion, and Woosnam, a runner-up in the U.S. Open, each were tied for second until they bogeyed the ninth hole.

Ballesteros went from greenside bunker to fairway bunker, and eventually one-putted for bogey. Woosnam three-putted from the front of the green, about 100 feet.

Reid, who took the lead with steady, solid play over the first three rounds, had to scramble to stay in front.

He made a 10-footer to save par on the first hole, but bogeyed the fifth aftr missing the green. Six-foot putts saved par after he missed the sixth and eighth greens.

Tom Watson, whose chances for this title and a career sweep of the game's Grand Slam events ended on a balky putter Saturday, played the front in 35 and was well back at 245.

Arnold Palmer, 59, who finished off an embarrassing third-round 81 early Sunday morning, came back with a 70 in the afternoon.

He responded to a standing ovation around the 18th green — "the greatest I've had, and I've had some," he said — with a 25-foot, downhill birdie putt that enabled him to complete the tournament at 293, five over par.

Jack Nicklaus, a five-time winner of this title, matched par 72 over the final 18 holes and finished at three-under 285.

On Saturday, Reid was among the 39 players stranded on the course when a violent thunderstorm forced an overnight suspension.

He returned at daylight Sunday morning, played nine holes in par 36 and finished off a two-under-par 70 on a course still spotted by puddles of water.

Reid, who went through 11 seasons of PGA Tour play before scoring his first victory in 1988, completed 54 holes at 203, 13 under par.

"Playing nine holes today, before going to the last round, could be an advantage," Reid had said. "It's like a warm-up."

Reid readily admitted to nervousness going into the final 18 holes.

"You always have butterflies in your stomach," he said, "but these butterflies are playing hockey."

Searching for Winners in Baseball's Homestretch

With seven weeks remaining in the baseball season before the playoffs, Murray Chass of The New York Times has surveyed the landscape ahead. His report:



Dave Stewart



Will Clark



Fred McGriff

National League East

Whitey Herzog's St. Louis Cardinals appear to be the least likely team to outlast the others, so what does he think about the others?

"The Cubs line up better than all of them," Herzog said, "but I still think it's between the Mets and Montreal. With their pitching staff, Montreal is capable of winning 15 of 20 games."

"Not that the Mets can't do that, but they'd be better with Gooden and I get the sense from talking to them that he won't be back."

With Dwight Gooden out, the New York Mets could look to the newcomer Frank Viola to lead them, which he is capable of doing if they would only score some runs for him.

The Cubs, the league's biggest surprise, have several assets, and Andre Dawson hasn't been one of them. They have a starting pitching trio of Rick Sutcliffe (12-9), Greg Maddux (14-8) and Mike Bielecki (12-5), a closing bullpen tandem of Mitch Williams (29 saves) and Les Lancaster, a rousing rookie outfield duo of Jerome Walton (.308) and Dwight Smith (.321) and a vastly improved Shawon Dunston (.330 since May 27).

If Dawson should join in, the Cubs could really surprise.

Mark Langston (10-3) continues to prove that a pitcher can be more valuable than a once-every-five-days player. But he can't bat the Expos to the division championship.

The Cardinals don't have enough pitching, and their hitting hasn't been consistent enough to cover the pitching holes.

National League West

In three quick steps toward the end of the week, the Giants dashed from a lead of one game to four games. They received an inspirational lift from Dave Dravecky and they watched Matt Williams hit four home runs and drive in 10 runs in those three games.

Not that Kevin Mitchell and Will Clark weren't doing a sufficient job hammering the opposition into submission, but with Williams joining that dynamite duo, the Giants should not have to look back. Furthermore, their starting pitching should only get healthier.

Glenn Davis can't support the entire Astros lineup, and their pitching isn't as solid as it has been in recent seasons.

The San Diego Padres occasionally act as if they want to join the race, but they keep tripping over the chalk lines. About the only way they could vault into contention would be if Jack Clark erupted from his dismal season and carried them in the last seven weeks.

American League East

When the Orioles finally slip from first place after a stay of nearly three months, will they and their fans be content with the improvement they made this year or will they be devastated?

Their extended presence on top only shows the futility of the rest of the division. Unfortunately for the Orioles, their relative success might have fooled them into thinking they could win with the team they had. But it is not likely that a team can win with three rookie pitchers (Bob Milacki, Pete Harnisch, Dave Johnson) in the starting rotation.

If the Toronto Blue Jays had a healthy and effective Jimmy Key, they might have a five-game lead. But Key has a 7-13 record, an ailing rotator cuff and a spot on the disabled list. In his place is a rookie, Mauro Gozzo.

The Blue Jays are viewed as having the best team in the division, but their paper talent has worn thin. Like the Yankees, they haven't been two games over .500 this season.

They need more than Fred McGriff home runs; a spark perhaps from Lloyd Moseby, the disappointing veteran, or Junior Felix, the aggressive rookie, or the Met imports, Mookie Wilson and Lee Mazzilli.

Although the Milwaukee Brewers have been creeping closer to the top, they can't win with only Ted Higuera (7-2, 2.47 ERA in his last 12 starts) pitching consistently well. They also lost their top slugger, Rob Deer, to the disabled list.

The Boston Red Sox have little enough pitching as it is; they can ill afford a problem with Roger Clemens. But they also miss the hitting of Mike Greenwell, who has been on the disabled list all month.

The division is so bad that the Cleveland Indians are the closest to first place that they have been at this point of the season in 30 years.

With the slugging of Joe Carter and a decent pitching staff, the Indians could remain in contention. But they can't be without Greg Swindell (13-3), clearly their best pitcher, much longer.

American League West

Pitching and home runs have carried the surprising California Angels all season and could push them the rest of the way. If Bert Blyleven (11-2), Kirk McCaskill (12-6) or Chuck Finley (13-8) falters, though, they could be in trouble.

It didn't help that they got caught with their two least effective starters, Mike Witt (7-10) and Jim Abbott (10-7), pitching against Oakland this weekend. The Angels also just put their regular shortstop, Dick Schofield, on the disabled list.

The Athletics give the feeling that they have been lurking just off the pace and will win going away. They could certainly do that if Jose Canseco begins producing.

If he does not, they may have to win with their pitching: Dave Stewart (16-6), Mike Moore (15-6), Storm Davis (12-5) and Dennis Eckersley (23 saves).

The other two contenders, Kansas City and Texas, just don't seem to have enough to catch the top two. Bret Saberhagen (13-5) and Tom Gordon (13-4) can't do all of the pitching for the Royals, and there's no one who has taken charge of the hitting. No, Bo can't do it all.

2 World Records Nearly Fall at a Dutch Track Meet

The Associated Press

HENGELO, The Netherlands — Said Aouita of Morocco came within just over a second of breaking his world record in the men's 1,500 meters in an international track meet here on Sunday, covering the distance in three minutes, 30.63 seconds.

Another world record, in the 800-meter relay, also was nearly broken, by a U.S. relay team from the Santa Monica Track Club featuring Leroy Burell, Floyd Heard, Carl Lewis and Joe DeLoach. The team finished in 1:20.43, just off the 1978 world record of 1:20.26, which was set by a University of Southern California team.

Aouita maintained a world-record pace until more than two-thirds through the race. But in the last few hundred meters, the Moroccan, who set the world record of 3:29.46 four years ago, faded slightly.

Even a surging sprint by Lewis could not save the Santa Monica squad's attempt, which failed mainly because of a fumbled hand over of the baton by Heard.

Santa Monica's B team, consisting of Mike Marsh, Danny Everett, Mark Witherspoon and Cletus Clark, finished in 1:22.07, while a Dutch team was third in 1:24.55.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Baltimore	59	56	.513	—
Toronto	58	58	.500	1½
Boston	57	57	.500	1½
Milwaukee	58	60	.492	2½
Cleveland	57	60	.487	3
New York	54	62	.466	5½
Detroit	42	74	.362	17½

West Division

	W	L	Pct.	GB
Oakland	71	46	.607	—
California	68	47	.591	2
Kansas City	63	52	.548	7
Texas	61	54	.530	9
Minnesota	58	58	.500	12½
Seattle	56	60	.483	14½
Chicago	49	67	.422	21½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Chicago	68	49	.581	—
Montreal	65	51	.560	2½
New York	63	53	.543	4½
St. Louis	60	54	.526	6½
Pittsburgh	48	67	.417	19
Philadelphia	46	70	.397	21½

West Division

	W	L	Pct.	GB
San Francisco	67	50	.573	—
Houston	64	53	.547	3
San Diego	59	59	.500	8½
Cincinnati	55	61	.474	11½
Los Angeles	55	62	.470	12
Atlanta	48	69	.410	19

Friday's Results

American League

New York 004 000 304—11 18 0
Minnesota 000 000 210— 3 10 0
Terrell, Plunk (8), Righetti (8) and Geren; Rawley, West (8) and Laudner. W—Terrell, 1-7. L—Rawley, 5-10. HRs—New York, Balboni 2 (14), Geren (5). Minnesota, Laudner (6).

Milwaukee 000 000 000—0 6 2
Cleveland 202 000 10x—5 7 0
Navarro, Fossas (7) and Surhoff; Farrell and Allanson. W—Farrell, 7-11. L—Navarro, 3-5. HR—Cleveland, Carter (23).

Milwaukee 103 021 010—8 13 2
Cleveland 200 020 003—7 12 1
Knudson, Crim (8), Plesac (9) and C.O'Brien; Walna, Wickander (5), Olin (6), Orosco (8), Nichols (9) and Allanson. W—Knudson, 3-3. L—Walna, 0-1. Sv—Plesac (28). HRs—Cleveland, Carter 2 (25), Snyder (14), Clark (7).

Toronto 000 000 002—2 6 2
Kansas City 001 010 04x—6 13 0
Flanagan, D.Ward (8) and Whitt; Saberhagen and Boone. W—Saberhagen, 13-5. L—Flanagan, 6-8. HR—Toronto, McGriff (31).

Boston 000 024 000—6 9 2
Baltimore 110 000 002—4 4 0
Clemens, Murphy (8), L. Smith (9) and Cerone, Gedman (9); Milacki, Williamson (6), Hickey (9) and Melvin. W—Clemens, 12-8. L—Milacki, 6-10. HRs—Boston, Esasky (21); Baltimore, Jefferson (1).

Boston 000 100 000—1 3 2
Baltimore 002 010 10x—4 5 0
Smithson, Lamp (6) and Gedman; Harnisch and Quirk. W—Harnisch, 2-5. L—Smithson, 6-10. HR—Baltimore, P.Bradley (8).

Detroit 001 010 010—3 10 1
Texas 040 100 02x—7 11 1
Tanana, Hudson (2), Nunez (6) and Nokes; Brown, Rogers (9) and Kreuter, M.Stanley (9). W—Brown, 11-6. L—Tanana, 8-10. HRs—Texas, Incaviglia (16), Daugherty (1), Franco (13), Sierra (20).

Chicago 000 102 020 4—9 12 1
Seattle 021 002 000 1—6 12 2
King, Patterson (6), Hillegas (6), Thigpen (8) and Fisk; Dunne, Comstock (7), Reed (7), Schooler (8), Jackson (10) and Bradley. W—Thigpen, 2-4. L—Schooler, 1-3. HRs—Seattle, Briley 2 (11), Davis (12).

Oakland 000 012 020—5 11 0
California 000 000 000—0 5 0
Moore and Steinbach; Witt, Fraser (8) and Parrish. W—Moore, 15-6. L—Witt, 7-10. HRs—Oakland, Phillips (4), Lansford (2).

National League

Atlanta 011 040 000—6 6 1
San Diego 100 210 100—5 10 0
Lilliquist, Eichhorn (5), Boever (9) and Russell; Benes, Clements (7), Grant (7) and Santiago. W—Eichhorn, 4-3. L—Benes, 0-1. Sv—Boever (19). HRs—Atlanta, Evans (9), O.McDowell (2), Da.Murphy (16). San Diego, Roberts (1).

Atlanta 000 000 000—0 7 0
San Diego 000 200 00x—2 9 0
Clary, Assenmacher (8), Acker (8) and Benedict; Rasmussen, Davis (8) and Parent. W—Rasmussen, 5-8. L—Clary, 3-2. Sv—Davis (30). HR—San Diego, Clark (15).

Los Angeles 001 100 000—2 7 1
San Francisco 404 200 00x—10 12 1
Belcher, Crews (3), Searage (5), Pena (8) and Scioscia; LaCoss, Brantley (8), Lefferts (9) and Kennedy. W—LaCoss, 7-7. L—Belcher, 8-11. HRs—San Francisco, Williams 2 (8), Mitchell (37).

Philadelphia 000 020 000—2 6 0
Chicago 012 060 00x—9 7 0
Carman, McWilliams (5), Howell (8) and Daulton, Lake (3); Maddux, Wilson (8), Schiraldi (9) and Berryhill. W—Maddux, 14-8. L—Carman, 3-12. HRs—Chicago, Dawson (12), Sandberg (22).

Pittsburgh 000 000 100—1 6 2
Montreal 002 000 02x—4 9 0
Smiley, Bair (8) and Ortiz; Langston and Santovenia. W—Langston, 10-3. L—Smiley, 9-7. HR—Montreal, Galarraga (17).

St.Louis 002 000 001—3 13 0
New York 000 000 000—0 3 0
Terry, Dayley (7) and T.Pena; Viola, Musselman (7), Innis (9) and Lyons. W—Terry, 8-10. L-Viola, 1-1.

Cincinnati 001 100 202—6 12 0
Houston 000 000 010—1 6 1
Leary, Dibble (8) and Reed; Rhoden, Agosto (8) and Biggio. W—Leary, 8-9. L—Rhoden, 1-4. Sv—Dibble (2). HRs—Cincinnati, E.Davis 2 (25).

Saturday's Results

American League

New York 102 000 000—3 7 0
Minnesota 011 110 02x—6 16 0
Cadaret, McCullers (5), Plunk (8), Guetterman (8) and Geren; R.Smith, Reardon (8) and Harper. W—R.Smith, 8-4. L—Cadaret, 3-3. Sv—Reardon (21).

Oakland 002 200 040—8 10 0
California 002 010 000—3 6 1
Welch, Burns (6) and Hassey; Abbott, Petry (4), Minton (8), McClure (8) and Parrish. W—Welch, 12-7. L—Abbott, 10-8. Sv—Burns (8). HR—Oakland, McGwire (21).

Milwaukee 012 000 200—5 12 1
Cleveland 100 000 000—1 6 2
Bosio and C.O'Brien; Bailes, Yett (7), Orosco (7), D.Jones (9) and Skinner. W—Bosio, 13-7. L—Bailes, 4-8.

Toronto 000 000 020—2 7 0
Kansas City 000 000 000—0 7 0
Stottlemyre, Henke (8) and Whitt; Gubicza, Crawford (9) and Macfarlane. W—Stottlemyre, 4-5. L—Gubicza, 10-10. Sv—Henke (10).

Detroit 101 010 030—6 12 1
Texas 220 001 000—5 7 1
Ritz, Gibson (6), Henneman (8), Hernandez (9) and Heath; Jeffcoat, Mielke (3), Hall (6), Guante (7), Rogers (8), Russell (9) and Sundberg, Kreuter (7). W—Gibson, 2-8. L—Rogers, 2-1. Sv—Hernandez (14). HR—Detroit, Heath (10).

Boston 020 051 000 000 2—10 20 1
Baltimore 300 400 100 000 0— 8 11 1
Gardner, Harris (4), Murphy (7), L.Smith (8), Stanley (11) and Cerone, Gedman (11); Ballard, Holton (5), Thurmond (5), Schmidt (5), Olson (8), Hickey (11), Williamson (13) and Melvin, Quirk (9). W—Stanley, 4-2. L—Hickey, 2-3. HRs—Boston, Esasky (22), Burks (9). Baltimore, C.Ripken (14).

Chicago 000 030 000 0—3 10 0
Seattle 001 002 000 1—4 9 0
Hibbard, McCarthy (6), Patterson (7), Pall (8) and Fisk; Zavaras, Comstock (7), Jackson (7), Reed (9) and Valle. W—Reed, 5-6. L—Pall, 4-4. HRs—Seattle, Leonard (19), A.Davis (13).

National League

Cincinnati 000 000 113—5 11 2
Houston 001 020 102—6 12 1
R.Robinson, Charlton (7), Roesler (7), Franco (9) and Oliver, J.Reed (8); Deshaies, Darwin (8), Da.Smith (9) and Biggio. W—Da.Smith, 2-3. L—Franco, 3-5.

Philadelphia 300 001 030—7 10 2
Chicago 513 000 00x—9 9 1
K.Howell, O'Neal (3), Frohwirth (7), McDowell (8) and Daulton; Bielecki, Kilgus (7), Sanderson (7), Mi.Williams (9) and Berryhill. W—Bielecki, 13-5. L—K.Howell, 9-8. Sv—Mi.Williams (30). HRs—Philadelphia, V.Hayes (16), C.Hayes (5), Jeltz (4), Dykstra (6). Chicago, Dunston (8).

Los Angeles 020 010 200—5 14 2
San Francisco 001 000 000—1 2 0
Valenzuela and Dempsey; Knepper, Brantley (6), McCament (7) and Manwaring. W—Valenzuela, 7-11. L—Knepper, 4-11. HRs—Los Angeles, Gonzalez (2), Murray (13).

St. Louis 000 000 010—1 6 0
New York 110 000 10x—3 11 0
Power, DiPino (7), Worrell (8) and Pena; Cone, Myers (8) and Carter. W—Cone, 10-5. L—Power, 4-5. Sv—Myers (18).

Pittsburgh 000 110 000—2 5 1
Montreal 010 120 01x—5 8 0
J.Robinson, Kramer (5), M.Smith (8) and LaValliere; K.Gross, Z.Smith (9) and Santovenia. W—K.Gross, 9-8. L—J.Robinson, 5-10. Sv—Z.Smith (2). HRs—Pittsburgh, Van Slyke (6). Montreal, Raines (8).

Atlanta 020 001 200—5 11 0
San Diego 000 000 310—4 6 1
Glavine, Acker (8) and J.Davis, Benedict (9); Hurst, Harris (8), Ma.Davis (9) and Parent. W—Glavine, 11-6. L—Hurst, 11-9. Sv—Acker (2). HRs—Atlanta, Evans (10). San Diego, James (9), Salazar (7).

League Statistics

(Through Aug. 11)

AMERICAN LEAGUE

Batting

(Minimum 259 at-bats)

	ab	r	h	2b	3b	hr	rbi	avg
Kelly, NY	312	52	107	15	2	6	39	.343
Puckett, Min	455	55	155	35	3	7	65	.341
Boggs, Bos	427	72	144	37	7	3	42	.337
Lansford, Oak	380	48	126	23	1	2	31	.332
ADavis, Sea	340	58	112	18	1	12	67	.329
Sax, NY	463	64	151	18	2	4	48	.326
Yount, Mil	443	73	144	30	6	14	76	.325
Baines, Tex	382	61	127	23	1	15	62	.316
Sierra, Tex	449	76	142	29	10	20	84	.316
Franco, Tex	423	64	133	21	3	13	82	.314
Greenwell, Bos	397	62	122	21	0	12	65	.307
Browne, Cle	418	56	127	21	3	3	34	.304
Mattingly, NY	454	58	138	27	2	15	77	.304
Steinbach, Oak	330	22	100	12	1	5	32	.303
Briley, Sea	262	39	78	16	4	11	41	.298
Gruber, Tor	424	66	126	18	2	14	55	.297
Polonia, NY	347	56	102	13	6	3	39	.294
Reynolds, Sea	443	69	130	16	6	0	35	.293
Moreland, Bal	353	39	103	17	0	6	38	.292
Ray, Cal	390	43	114	11	3	3	48	.292
Calderon, Chi	442	60	129	23	6	11	61	.292
Joyner, Cal	415	55	120	20	1	9	56	.289
Gladden, Min	277	48	80	13	1	4	30	.289
Bell, Tor	425	64	123	31	1	10	63	.289
Eisenreich, KC	299	42	86	19	4	4	32	.288
Jacoby, Cle	349	35	100	18	1	10	44	.287
Molitor, Mil	435	62	125	19	4	8	35	.287
Griffey, Sea	310	46	89	14	0	13	45	.287
Burks, Bos	283	49	81	17	6	8	38	.286
Bradley, Bal	387	63	110	14	10	8	46	.284
Downing, Cal	387	48	110	17	2	9	36	.284
Gallagher, Chi	472	65	134	15	1	1	31	.284
RHendersn, Ok	388	84	110	20	2	7	45	.284
Whitt, Tor	271	29	77	18	1	8	37	.284
Tartabull, KC	307	40	87	14	0	13	46	.283
Seitzer, KC	418	53	118	11	0	3	39	.282
McGriff, Tor	394	74	111	21	2	31	73	.282
Washington, Cl	278	31	78	11	2	10	28	.281
Palmeiro, Tex	431	66	121	20	2	7	55	.281
Espinoza, NY	339	37	95	11	1	0	28	.280
Felix, Tor	322	51	89	11	5	8	43	.276
Boone, KC	298	26	82	13	1	1	34	.275
Gantner, Mil	394	46	108	17	2	0	34	.274
Parker, Oak	398	41	109	28	0	15	67	.274
Esasky, Bos	394	58	107	18	2	21	73	.272
Stillwell, KC	294	32	80	13	4	4	34	.272
Orsulak, Bal	306	44	83	20	4	3	42	.271
Evans, Bos	351	54	95	17	3	1	62	.271
CRipken, Bal	461	60	124	21	0	13	65	.269
Slaught, NY	305	31	82	19	3	5	33	.269
Tettleton, Bal	354	66	95	20	2	22	56	.268
O'Brien, Cle	426	66	114	22	0	10	45	.268
Jackson, KC	342	58	91	10	4	22	66	.266
CDavis, Cal	385	56	102	15	0	18	64	.265
Lyons, Chi	325	35	86	15	2	1	32	.265
Coles, Sea	388	41	103	15	3	9	53	.265
Reed, Bos	375	54	99	31	0	1	24	.264
Tabler, KC	314	28	83	9	1	1	31	.264
Liriano, Tor	318	40	84	18	2	3	37	.264
DWhite, Cal	457	63	120	14	11	10	48	.263
Whitaker, Det	373	59	98	11	1	25	65	.263
Leonard, Sea	413	54	108	15	0	18	73	.262
Bush, Min	280	40	73	11	3	11	42	.261
Guillen, Chi	465	45	121	16	6	0	37	.260
Larkin, Min	337	45	87	17	0	3	33	.258
Gagne, Min	339	55	87	19	4	7	33	.257
Carter, Cle	466	66	119	27	4	25	78	.255
Gaetti, Min	426	56	108	10	3	18	67	.254
Parrish, Cal	316	41	80	11	1	15	44	.253
Brett, KC	292	40	74	14	1	8	46	.253
Gallego, Oak	282	39	71	11	2	3	28	.252
Presley, Sea	321	39	81	16	0	11	39	.252
Javier, Oak	271	36	68	11	3	1	27	.251
Espy, Tex	367	53	92	8	4	3	25	.251
Worthington, Bl	357	41	89	20	0	10	55	.249
Braggs, Mil	406	60	101	8	3	13	54	.249
Sheffield, Mil	311	30	77	15	0	4	29	.248
DHenderson, Ok	419	53	104	15	3	9	55	.248
Pettis, Det	280	51	69	6	5	1	8	.246
Phillips, Oak	313	38	77	12	4	4	31	.246
Buechele, Tex	368	46	90	16	2	11	44	.245
Surhoff, Mil	320	24	78	8	4	4	41	.244
Newman, Min	296	43	72	15	2	0	28	.243
BRipken, Bal	278	27	67	10	2	2	25	.241
FWhite, KC	311	34	75	14	0	0	28	.241
Fernandez, Tor	398	43	96	17	2	8	44	.241
Fletcher, Chi	362	53	87	15	1	0	25	.240
Schofield, Cal	285	41	68	11	2	4	26	.239
Barfield, NY	366	58	87	16	0	19	51	.238
Trammell, Det	337	41	80	13	2	4	29	.237
Lemon, Det	332	38	78	15	1	5	36	.235
McGwire, Oak	345	47	81	11	0	20	66	.235
Howell, Cal	327	44	76	11	3	17	40	.232
Fermin, Cle	366	39	84	5	0	0	15	.230
Snyder, Cle	354	38	81	11	0	14	49	.229
Deer, Mil	398	67	91	15	2	25	63	.229
Incaviglia, Tex	324	34	74	19	4	16	64	.228
Vizquel, Sea	285	38	64	6	3	1	16	.225
Lynn, Det	262	30	57	7	1	6	29	.218
Moseby, Tor	337	51	72	13	3	9	32	.214
BAnderson, Bal	257	43	53	12	2	4	14	.206

Pitching

(Minimum 85 innings pitched)

	w	l	ip	h	bb	so	era
Blyleven, Cal	11	2	172.1	158	30	95	2.35
Moore, Oak	15	6	174.0	134	59	130	2.38
Cerutti, Tor	9	5	154.1	150	38	48	2.39
Finley, Cal	13	8	168.2	141	61	136	2.51
Bosio, Mil	12	7	181.0	167	36	133	2.59
Saberhagn, KC	13	5	175.1	152	31	126	2.62
Swindell, Cle	13	3	154.0	135	38	108	2.69
Gordon, KC	13	4	104.0	67	52	108	2.77
McCaskill, Cal	12	6	144.0	137	48	67	2.81
Candiotti, Cle	11	6	142.2	122	41	82	2.90
KBrown, Tex	11	6	170.1	134	58	89	2.91
Higuera, Mil	8	4	112.1	99	40	77	3.12
Welch, Oak	11	7	142.1	138	59	95	3.16
Aquino, KC	6	6	104.2	103	24	50	3.18
Gubicza, KC	10	9	200.0	208	50	122	3.20
Clemens, Bos	12	8	173.1	144	69	158	3.23
Ryan, Tex	13	7	168.0	112	68	211	3.27
Bankhead, Sea	11	4	153.2	134	38	97	3.34
Ward, Tor	4	9	87.2	72	43	91	3.39
Stewart, Oak	16	6	182.1	189	49	107	3.41
Abbott, Cal	10	7	124.0	127	47	79	3.56
Ballard, Bal	11	6	133.0	153	34	33	3.72
AAnderson, Mn	13	9	159.2	166	45	56	3.72
Tanana, Det	8	10	167.2	172	54	103	3.76
Holman, Sea	4	5	94.2	97	44	51	3.80
Flanagan, Tor	6	8	132.2	148	34	37	3.87
RSmith, Min	7	4	123.1	130	35	60	3.94
King, Chi	5	8	109.1	97	52	53	3.95
Stieb, Tor	11	7	145.1	121	55	64	3.96
Black, Cle	9	9	158.1	161	39	63	4.00
Holton, Bal	4	6	98.2	118	36	42	4.01
Key, Tor	7	13	163.0	170	23	76	4.03
Farrell, Cle	7	11	144.1	139	54	84	4.05
Dopson, Bos	9	5	122.0	125	58	70	4.17
Boddicker, Bos	10	8	148.1	153	53	92	4.19
Milacki, Bal	6	10	156.0	161	57	78	4.33
Smithson, Bos	6	10	113.2	130	32	52	4.43
Rosenberg, Chi	3	8	111.2	109	44	56	4.43
MWitt, Cal	7	10	164.1	187	37	82	4.44
Alexander, Det	5	13	168.2	182	55	73	4.48
Bailes, Cle	4	7	95.1	96	26	38	4.53
Gibson, Det	2	8	110.1	109	49	59	4.57
Morris, Det	2	9	92.0	103	32	65	4.60
Hawkins, NY	13	11	157.1	172	55	68	4.63
Leibrandt, KC	5	10	143.0	167	48	58	4.78
Rawley, Min	5	10	133.0	150	53	58	4.87
Hough, Tex	7	11	131.0	128	70	72	4.88
Davis, Oak	12	5	106.2	122	47	60	4.92
Hillegas, Chi	6	9	96.2	108	44	58	4.93
Swift, Sea	6	3	92.0	110	30	32	4.99
Reuss, Mil	8	6	119.2	146	24	34	5.04
Dotson, Chi	3	6	89.2	110	40	29	5.12
MPerez, Chi	7	12	127.1	131	60	90	5.16
BWitt, Tex	9	10	142.0	132	82	116	5.35
Schmidt, Bal	8	12	136.0	169	30	37	5.43
August, Mil	9	11	124.2	159	46	48	5.49
LaPoint, NY	6	9	113.2	146	45	51	5.54

(Tomorrow: National League statistics)

SOCCER

DUTCH FIRST DIVISION

FC Utrecht 3, Feyenoord 0
FC Volendam 1, Haarlem 0
RKC 3, FC Groningen 1
MVV 2, Willem II 1
FC Twente 1, Roda JC 1
Sparta Rotterdam 1, NEC 2
FC Den Haag 0, Ajax 4
Vitesse 1, Fortuna Sittard 1

FRENCH FIRST DIVISION

Caen 1, Monaco 1
Lille 0, Bordeaux 1
Metz 2, Lyon 3
Montpellier 1, Auxerre 0
Nice 1, Marseille 1
Racing Paris 2, Mulhouse 1
St Etienne 1, Paris St Germain 2
Sochaux 3, Cannes 0
Toulon 2, Brest 0
Toulouse 1, Nantes 1

WEST GERMAN FIRST DIVISION

Kaiserslautern 5, Karlsruhe 1
Bayer Leverkusen 0, Borussia Moenchengladbach 0
Bayer Uerdingen 2, FC Cologne 3
VfB Stuttgart 1, SV Waldhof Mannheim 0
Werder Bremen 2, Borussia Dortmund 0
VfL Bochum 3, Hamburger SV 1
FC St. Pauli 0, FC Nuremberg 1

WORLD CUP QUALIFYING

Kenya 1, Liberia 0
Egypt 1, Malawi 0
Zaire 1, Zambia 0
Ivory Coast 5, Zimbabwe 0
Gabon 1, Cameroun 2

TENNIS

MEN'S TOURNAMENTS

(In Prague)

Quarterfinals

Marcelo Filippini (4), Uruguay, def. Martin Strelba (5), Czechoslovakia, 6-3, 6-4; Franco Davin, Argentina, def. José Aguilera, Spain, 6-4, 6-1; Horst Skoff (2), Austria, def. Marko Ostoja, Yugoslavia, 6-4, 6-0; Michael Tauson, Denmark, def. Petr Korda, Czechoslovakia, 6-4, 6-0.

Semifinals

Skoff def. Davin, 6-2, 6-2; Filippini def. Tauson, 6-2, 2-6, 6-3.

Final

Filippini def. Skoff, 7-5, 7-6 (7-4).

(In Indianapolis)

Quarterfinals

Stefan Edberg (1), Sweden, def. Richard Matuszewski, U.S., 4-6, 6-4, 7-5; Aaron Krickstein (4), U.S., def. Pete Sampras, U.S., 7-5, 6-3; Jay Berger (5), U.S., def. Tim Mayotte (3), U.S., def. 7-6 (7-3), 7-5; John McEnroe (2), U.S., def. Todd Witsken (8), U.S., 6-1, 6-0.

Semifinals

McEnroe def. Krickstein, 6-2, 7-6 (8-6); Berger def. Edberg, 6-4, 6-2.

(In West Orange, New Jersey)

Quarterfinals

Brad Gilbert, (2), U.S., def. Ramesh Krishnan, (8), India, 5-7, 6-3, 6-2; Jim Courier, (4), U.S., def. Jim Grabb, U.S., 7-5, 6-2; Jason Stoltenberg, Australia, def. Tim Dovovan, U.S., 6-1, 6-2; Chris Bailey, Britian, def. Mike Brown, U.S., 6-3, 3-6, 6-3.

Semifinals

Gilbert def. Courier, 6-2, 6-0; Stoltenberg def. Bailey, 6-4, 6-2.

WOMEN'S TOURNAMENT

(In Manhattan Beach, California)

Quarterfinals

Gabriela Sabatini (2), Argentina, def. Catarina Lindqvist (8), Sweden, 6-2, 6-4; Zina Garrison (3), U.S., def. Nathalie Tauziat (12), France, 6-4, 6-2; Pam Shriver (4), U.S., def. Mary Joe Fernandez (5), U.S., 6-3, 6-4; Martina Navratilova (1), U.S., def. Hana Mandlikova (7), Australia, 7-5, 6-4.

Semifinals

Navratilova def. Garrison, 6-1, 6-4; Sabatini def. Shriver, 6-4, 6-2.

CYCLING

World Cup

Result of the 244-kilometer San Sebastián Grand Prix race, eighth leg of the World Cup, Saturday, in San Sebastián, Spain:

1. Gerhard Zadrobilek (Austria) 6 hours, 24 minutes, 10 seconds. 2. Francisco Antequera (Spain) at 2:05. 3. Tony Rominger (Switzerland) 2:05. 4. Charly Mottet (France) 2:09. 5. Mauro Rodriguez (Spain) 2:09.

World Cup Overall Standings

1. Sean Kelly (Ireland) 36 pts. 2. Frans Maassen (Netherlands) 23. 3. Edwig van Hooydonck (Belgium) 20. 4. Mottet 19. 5. Herman Frison (Belgium) 19.

CRICKET

ENGLAND vs. AUSTRALIA

(In Nottingham, England, Day 3, Saturday)

1st Innings: Australia 602-6 (declared); England 246-9.

AUTO RACING

Hungarian Grand Prix

1. Nigel Mansell, Britain, Ferrari, 1 hour, 49:38.650 minutes, average speed 167.197 km/h
2. Ayrton Senna, Brazil, McLaren Honda, 1:50.04.617
3. Thierry Boutsen, Belgium, Williams Renault, 1:50.17.804
4. Alain Prost, France, McLaren Honda, 1:50.22.827
5. Eddie Cheever, U.S., Arrows Ford, 1:50.23.756
6. Nelson Piquet, Brazil, Lotus Judd, 1:50.50.689
7. Alex Caffi, Italy, Dallara Ford, 1:51.02.875
8. Emanuele Pirro, Italy, Benetton Ford, at one lap
9. Jean Alesi, France, Tyrrell Ford, at one lap
10. Derek Warwick, Britain, Arrows Ford, at one lap.

Driver Standings

1. Prost, 56 points; 2. Senna, 42; 3. Mansell, 33; 4. Riccardo Patrese, Italy, 25; 5. Boutsen, 17.

GOLF

PGA Championship

Complete graded scores Sunday after the rain-delayed third round of the $1.2 million 71st PGA Championship on the 7,197-yard, par-72 Kemper Lakes Golf Club course in Hawthorn Woods, Illinois (x-completed third round Sunday):

x-Mike Reid 66-67-70—203
x-Dave Rummells 68-69-69—206
x-Scott Hoch 69-69-69—207
x-Chris Perry 67-70-70—207
x-Craig Stadler 71-64-72—207
Isao Aoki 72-71-65—208
x-Seve Ballesteros 72-70-66—208
x-Curtis Strange 70-68-70—208
x-Leonard Thompson 66-69-73—208
x-Ian Woosnam 68-70-70—208
x-Payne Stewart 74-66-69—209
x-Mike Sullivan 76-66-67—209
x-Jim Gallagher, Jr. 73-69-68—210
x-Tom Watson 67-69-74—210
x-Mark Wiebe 71-70-69—210
x-Andy Bean 70-67-74—211
Howard Twitty 72-71-68—211
x-Tommy Armour III 70-69-73—212
x-Ian Baker-Finch 74-68-70—212
x-Brad Bryant 70-70-72—212
x-Ben Crenshaw 68-72-72—212
Nick Faldo 70-73-69—212
x-Ed Fiori 70-67-75—212
x-Tom Kite 67-73-72—212
Larry Mize 73-71-68—212
Greg Norman 74-71-67—212
x-Loren Roberts 69-71-72—212
x-Tim Simpson 69-70-73—212
x-Brian Tennyson 71-69-72—212
Chip Beck 73-71-69—213
x-Bill Britton 75-67-71—213
x-David Edwards 69-72-72—213
David Frost 70-74-69—213
Buddy Gardner 72-71-70—213
x-Mike Hulbert 70-71-72—213
x-Peter Jacobsen 70-70-73—213
Bob Lohr 75-69-69—213
Blaine McCallister 71-72-70—213
Larry Nelson 71-74-68—213
x-Jack Nicklaus 68-72-73—213
x-Don Pooley 70-71-72—213
Raymond Floyd 73-71-70—214
Davis Love III 73-69-72—214
x-Dan Pohl 71-69-74—214
x-Nick Price 70-72-72—214
Jeff Sluman 75-70-69—214
x-Doug Tewell 73-69-72—214

TRANSITION

BASEBALL

American League

CALIFORNIA—Put Dick Schofield, shortstop, on 21-day disabled list. Bought contract of Bobby Rose, infielder, from Midland, Texas League.

National League

MONTREAL—Activated Tom Foley, infielder, from 15-day disabled list. Sent Jeff Huson, infielder, to Indianapolis, American Association.

BASKETBALL

National Basketball Association

NEW JERSEY—Named Willis Reed, coach, as vice president of basketball and business development.

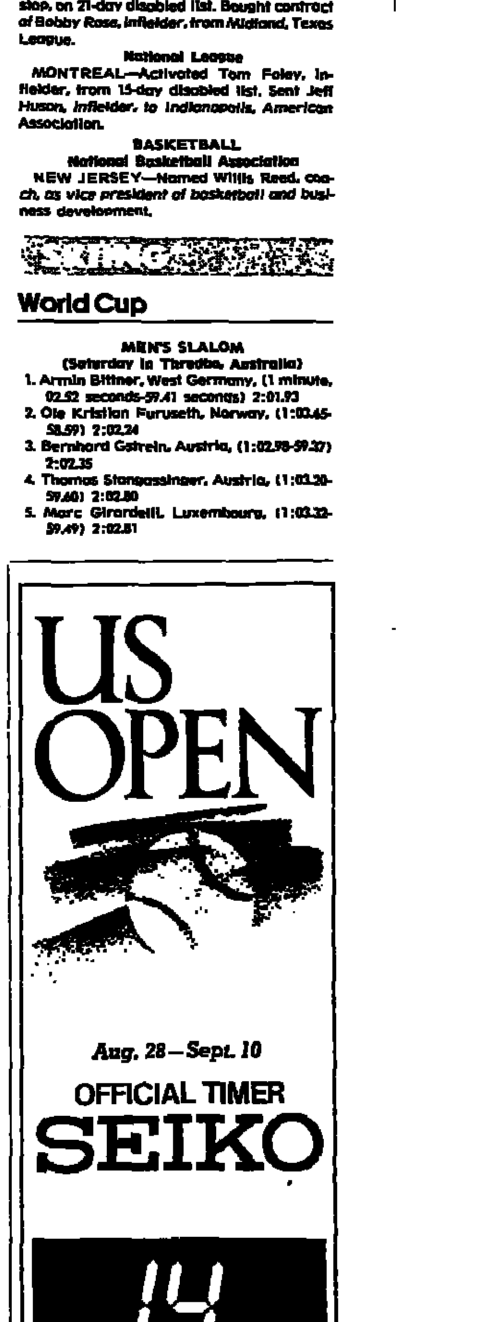
SKIING

World Cup

MEN'S SLALOM

(Saturday in Thredbo, Australia)

1. Armin Bittner, West Germany, (1 minute, 02.52 seconds-59.41 seconds) 2:01.93
2. Ole Kristian Furuseth, Norway, (1:03.65-58.59) 2:02.24
3. Bernhard Gstrein, Austria, (1:02.98-59.37) 2:02.35
4. Thomas Stangassinger, Austria, (1:03.20-59.60) 2:02.80
5. Marc Girardelli, Luxembourg, (1:03.32-59.49) 2:02.81



Chabrol Exploring Henry Miller's Paris

By Clyde Haberman
New York Times Service

ROME — He looked like a stereotypical bookkeeper who had wandered by mistake into a bordello, this round-shouldered, graying man with a paunch and a pipe, poking mildly around a room run amok with flocked red wallpaper, bright flowers and a picture collection numbingly repetitive with aging photographs of exposed women.

Actually, it was Claude Chabrol exploring the set of his latest film, "Clichy Days."

The French director had tried to capture the spirit — and the flesh — of a luxurious brothel as a centerpiece for what he calls a not-too-faithful rendering of "Quiet Days in Clichy," Henry Miller's reminiscence about his sex-larded days in Paris of the 1930s.

"I wanted to make a film about sex," Chabrol said before shooting got under way one recent afternoon. "I've made 40 films, and I've never dealt with the subject. I've spoken of it before, but it was never sex alone. In this film, it is purely sex. But happy sex, not sad, not with problems."

The same, apparently, cannot be said of the Miller book, a slender volume, not well known in the United States, in which the author does not often emerge from between the sheets except to catch his breath.

Chabrol, in his version, has thrown in some of the political turmoil that buffeted the Hitler-menaced Europe of the time and, he says, he has cleaned up the rougher spots. "It's a dirty book," he said. "But it's a beautiful little book. In Europe, it's one of the best known of Miller's books, I think because it's very dirty. It's almost a pornographic book."

"Miller always tried to transform reality," he explained. "In this book, he tried to trash it, and I didn't like that. They were not very rich then, but in none of the other books do we see him looking in the garbage for something to eat. Yecch. I don't like that. So if he changed truth, I can change it the other way, and it's why I chose almost voluptuous sets. It's too luxurious for the reality, but it's not so different from the truth than the way he did it coming from the other direction."

"Clichy Days," which is scheduled to be released in the United States early next year, is a good example of the multinational nature of movies these days. At a projected cost of $7 million, it is being filmed mainly at the Cinecitta studios in Rome. Its co-producers are Italian, American, French and German.

Because the American audience is an important target, the movie's language is English, but the screenwriters of credit are Chabrol and an Italian, Ugo Leonzio.

One of the actresses, who plays a one-legged prostitute, is Stéphane Audran, who was married to the director when she starred in some of his biggest successes of the 1960s and early 1970s, including "Les Biches," "La Femme Infidèle" and "Le Boucher." (His present wife, Aurore, is his script assistant.)



Daniello Brogna/Agenzia Contrasto

Claude Chabrol on the set of "Clichy Days," a film about "happy sex."

But the central figure is an American actor, Andrew McCarthy, who plays Henry Miller. For McCarthy, the role is a decided change from the teenage roles in movies like "St. Elmo's Fire" and "Pretty in Pink." At the age of 26, he seems a bit young to play Miller, who was born in 1891 and was in his 40s when he explored the bordellos of Paris. But the actor says the age gap does not worry Chabrol, so there is no reason it should bother him.

"I asked Chabrol about it," he said, "and he answered, 'Andrew, truth today is not truth tomorrow.'"

This is not the first time that Chabrol has filmed in English, a language of which he has good command. One previous effort, a movie of 1976 called "The Twist," proved to be "the worst film of the century," he said. The Miller film is bound to be far better, he insisted, if only because "I think I've improved a little my way of filming."

"About 10 or 12 years ago, I began to be bored a little," Chabrol said. "Suddenly, three or four years ago, I liked filming, really, even more deeply than before. Before, the camera was always a little frightening. Now, I'm not afraid at all. It's like a friend."

Miller wrote the book in 1940 after he returned to New York City from France, and rewrote it in 1956. As with other works of his, it was published first in France and banned in the United States until the mid-1960s. "Miller had a very strong readership in France when I was young," said Chabrol, 59, adding that he has long had an interest in the expatriate life of Americans in Paris during the 1920s and 1930s.

"The French are very proud because they were his first editors," he said. "The French have a very pretentious character. They said, 'We were the first.' When they are the first, they are happy."

Despite the strong sexual emphasis, the director doubts that the United States movie-code enforcers will give "Clichy Days" an X rating. "It's not pornographic at all," he said. "It's not false. It's not perverse. It's not violent."

Nor, Chabrol added, does he worry that some critics might dismiss him as a man of years who has fallen suddenly into a belated midlife crisis. "My God. The sex crisis begins when you are born. You don't have to wait."

LANGUAGE

Whaddya Think About Gunna?

By William Safire
New York Times Service

WASHINGTON — "*Gunna* (sometimes *gonna*) is epidemic in spoken English," reads a postcard from John Jakes, the novelist. "I hear it in everyday conversation (my own included, alas). I hear it from esteemed TV commentators. It will be in the dictionary soon."

The English words are *going to*, but people have been running those words together for a long time. In Scotland, citations of *gunna* and *gaunna* date back to 1806, and in the United States we have the novelist Clarence Edward Mulford's use in a 1913 Hopalong Cassidy story: "Yo're gonna get a good lickin'."

Readers other than Jakes have asked, "Whaddya think about this?" I say, "Gimme a break."

Today's epidemic of elision was helped along by those of us who write fiction. In "North and South," Jakes is careful to keep his elisions within quotation marks: "I'm sure, Cap'n," says a farmer in his novel, and a stevedore calls a young soldier a "sojer boy." That's because novelists writing dialogue like to convey the sounds made by their characters.

Stephen Crane, in his "Maggie, a Girl of the Streets" in 1896, pioneered *wanna* in literature with "I didn' wanna give 'im no stuff."

Every novelist has to work out the problem of dialect in dialogue. Does the author show disrespect for the characters, or racial or religious or social bias, by portraying their speech as it really is? Does the author insult readers by forcing them to read the transcribed dialect, rather than hint at it at first and then let readers do their own transpositions as they go along?

I ought to point this out: if you mentally pronounce what you read, then you probably pronounced the words *ought to* at the start of this sentence as "oughta"; most of us do, except when the two words end the sentence, at which point we do what we ought to. (You probably pronounced that concluding *to* as a clear "to" and not as an elided schwa.)

That means that novelists need not always specify exactly the way their characters sound; authors often depend on readers to supply the elisions, as well as the dropped *g*'s, in their own heads.

We come now to the first issue of elision: do writers contribute to everybody's sloppiness in speech by recording the sounds of speech, thereby legitimizing the elided words by giving them a spelling? I think not; the Yankee dialect *yep* is one word, the New York *yop* is another, and the standard English word *yes* does not flavorfully represent either.

The second issue is this: outside of quoted dialogue, should we make an effort to resist the trend toward elision, accelerated by the spelling-out of the melded words? I think so; to some degree in speech, and to a much greater degree in the written word, we ought to, not *oughta*, give crisp clarity a shot.

Henceforth, I will eschew such observations as *I dunno* in my prose; it not only contributes to the legitimization of elision, but also it's cutesy. I have a highly literate, articulate readership and can depend on them, when they see "I don't know," to internally mumble *I dunno*.

□

In some instances, elision creates a useful word. Take the burgeoning *wannabe*, a new noun and adjective, which is the would-be replacement for *would-be*.

Donald Trump was described by the new magazine 7 Days as "the *wannabe* airline mogul." In The New York Times, Michael Gross wrote of money spent on clothing "by people surfers call *'wannabes.'* They don't surf but they want to, so they dress the part." A frequent usage for imitative singers is "Madonna *wannabes*." And The Christian Science Monitor asked: "Do some 'black nationalists' have their own bigotry against what they call 'wannabes' — light-skinned blacks who allegedly *'wanna be'* like whites?"

The new word implies more insistent yearning than *would-be*, and usually has a connotation less dishonest than *imitation, bogus, sham*; it is never to be confused with *unreal*, which has a dialect sense of "terrific." In the synonymy of those hopefuls waiting in the wings, *wannabe* is eager to force its way in. In a recent New York Times review of "When Harry Met Sally . . .," Caryn James put down the film as "a perfectly pleasant Woody Allen *wannabe*, full of canned romance."

I tried out the plural of *wannabe* not long ago, describing the Washington Establishment as "an amalgam of officeholders, power brokers, *wannabes*, *ustabes*, thinktankers and a legion of world-weary thumbsuckers." In this foray, I amended the spelling to *wannabies*, to get the *ee* sound of the plural, which may be doubtful in *wannabes*.

This change met with no success; the only person who noticed wrote that we did not need "neologistic wannabes." (I still say that looks like *wan nabes*, or pale neighborhood theaters, but I withdraw my suggestion: the plural is *wannabes*, and on that analogy, the latest word for has-beens is *usabes*.)

□

A dispute was begun recently between President Bush and Governor Mario Cuomo about the accurate quotation of the philosopher Woody Allen.

The president quoted him as saying, "Ninety percent of life is just showing up." (His speechwriters later assured me that Bush has used that reference frequently; it's one of those things that get stuck in a public speaker's head and he never needs prompting to use it.) The governor, in his equally frequent usage over the years, says, "Most of life is just a matter of showing up," and the expression in a self-help best-seller is "Eighty percent of success is showing up."

Readers were promised that clarification of this seminal thought would be sought from the author; Allen has responded to my query.

"The quote you refer to," Allen writes, "is a quote of mine which occurred during an interview while we were discussing advice to young writers, and more specifically young playwrights.

"My observation was that once a person actually completed a play or a novel he was well on his way to getting it produced or published, as opposed to a vast majority of people who tell me their ambition is to write, but who strike out on the very first level and indeed never write the play or book.

"In the midst of the conversation, as I'm now trying to recall it, I did say that 80 percent of success is showing up."

Why that particular percentage?

"The figure seems high to me today," Allen says, "but I know it was more than 60 and the extra syllable in 70 ruins the rhythm of the quote, so I think we should let it stand at 80."

New York Times Service

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